

DISTRICT OF CAMPBELL RIVER

BRITISH COLUMBIA, CANADA



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended December 31, 2004

Report Prepared by:

C. Douglas Lang, Corporate Services Director

Financial Services Department

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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 & Coronet

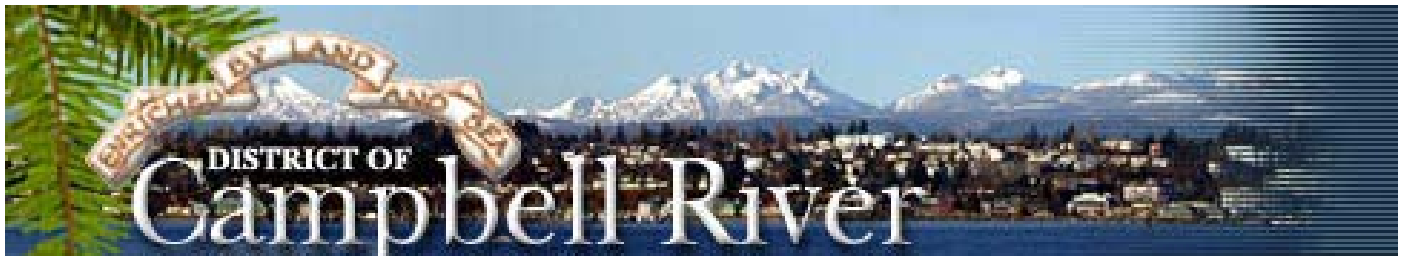
The shield is the central and most important element. The lower portion symbolizes the meeting of the waters of Campbell River and Discovery Passage and the vital industries of fishing and forestry. In the upper portion or 'chief' of the shield, the Lord Lyon has honoured the town's namesake Dr. Samuel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



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 arts 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



INTRODUCTORY SECTION

DISTRICT OF CAMPBELL RIVER

COUNCIL APPOINTMENTS

MAYOR LYNN D. NASH

B.C. Ferry Corporation Coastal Council - Alternate
Comox-Strathcona Regional District Board
Seniors' Advisory Commission – Ex-Officio Member/Alternate
BC Government Negotiating Team to the Hamatla Treaty Table
Youth Advisory Commission – Ex-Officio Member

COUNCILLOR MARY L. ASHLEY

Acting Mayor – May & December 2004

Comox-Strathcona Regional District Board - Alternate
Emergency Planning Committee
Local Improvement and Parcel Tax Courts of Revision
School Board/District Joint Liaison Committee – Municipal Chair
Seniors' Advisory Commission – Ex-Officio Member
Strathcona Gardens Commission
Youth Advisory Commission – Ex-Officio Member/Alternate
Vancouver Island Regional Library Board - Alternate
Johnstone Strait/Bute Inlet Coastal Planning Initiative – Alternate
E & N Steering Committee – Council Liaison
Project Assignment – CR Cruise Ship Facility

Portfolio Appointment

Seniors, Youth and Public Safety

COUNCILLOR CHARLIE J. CORNFIELD

Acting Mayor – January & July 2004

Advisory Planning Commission – Ex-Officio Member
Comox-Strathcona Regional District Board
Estuary Management Commission – Ex-Officio Member
Local Improvement and Parcel Tax Courts of Revision - Alternate
School Board/District Joint Liaison Committee
Electrical Power Supply Issues
Johnstone Strait/Bute Inlet Coastal Planning Initiative
Project Assignment – Dick Murphy Park (Tyee Spit Plan)

Portfolio Appointment

Community Planning, Environment & Parks

COUNCILLOR ROY A. GRANT

Acting Mayor – June & October 2004

Advisory Planning Commission – Ex-Officio Member

Comox-Strathcona Regional District Board - Alternate

Development Liaison Group

Financial Strategy Planning Select Committee

Local Improvement and Parcel Tax Courts of Revision

Campbell River Economic Development Corporation (Rivercorp)

Project Assignment – CR Airport Strategy

Portfolio Appointment

Economic Development

COUNCILLOR WILLIAM A. MATTHEWS

Acting Mayor – March & September 2004

Development Liaison Group

Estuary Management Commission - Alternate

Comox-Strathcona Regional District Board

Financial Strategy Planning Select Committee - Chair

Local Improvement and Parcel Tax Courts of Revision - Alternate

North Island Woods Advisory Group to Weyerhaeuser

Project Assignment – Deep Sea Port

Portfolio Appointment

Finance & Personnel

COUNCILLOR MORGAN K. OSTLER

Acting Mayor – April & November 2004

Comox-Strathcona Regional District Board - Alternate

Parks, Recreation & Cultural Commission

Island North Film Commission – Ex-Officio Member

Tourism North Central Island – Ex-Officio Member

Local Improvement and Parcel Tax Courts of Revision - Alternate

Project Assignment – CR Beautification

Portfolio Appointment

Culture & Tourism

COUNCILLOR LAIRD M. RUEHLEN

Acting Mayor – February & August 2004

Financial Strategy Planning Select Committee

Parks, Recreation & Cultural Commission

Local Improvement and Parcel Tax Courts of Revision

Strathcona Gardens Commission

Vancouver Island Regional Library Board

Project Assignments – Business Improvement Areas & Chamber of Commerce Liaison

Portfolio Appointment

Public Works & Transportation

Canadian Award for Financial Reporting

Presented to

District of Campbell River,
British Columbia

For its Annual
Financial Report
for the Year Ended
December 31, 2003

A Canadian Award for Financial Reporting
is presented by the Government Finance Officers
Association of the United States and Canada
to municipalities whose annual financial reports
achieve the high program standards for Canadian
Government accounting and financial reporting.



Nancy L. Zielke
President

Jeffrey L. Esser
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District of Campbell River for its annual financial report for the fiscal year ended December 31st, 2003. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.



Mayor and Council
District of Campbell River
301 St. Ann's Road
Campbell River, B.C.
V9W 4C7

Your Worship and Members of Council,

I am pleased to present you with our 2004 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, are for the fiscal year ended December 31st, 2004 are presented pursuant to section 167 of the Community Charter.

The purpose of this Annual Report and Financial Statements is to present to the users and readers a clear insight into the operations and financial results for the fiscal year ended December 31st, 2004. Management strives to ensure that this report presents fairly the financial position of the District.

The preparation and presentation of the Annual Report and Financial Statements and the related information is the responsibility of the management of the District 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 District's information systems. The District 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 District has an effective and responsive system of internal accounting controls, which is subjected to routine review and revision.

The audit firm of Meyers Norris Penny is appointed by the Council of the District of Campbell River and is responsible to report directly to you with their audit results.

Financial Overview:

The financial results of the District of Campbell River for 2004 were in line with our expectations for the year. For the year 2004 a 4.43% tax increase on the average value single family house was required due mainly to wage and benefit costs, fire and police protection cost increases, reduction in taxes collected from major industry and the decline of revenues. Reduced revenues, particularly in investment income and property/lease income, contributed to the need for a property tax increase.

One of the most significant costs of running a municipality is the function of policing. In 2004 thirty-five cents out of every tax dollar collected went towards police protection services. The costs of policing have been rising at a greater rate than any other costs of the District.

Council manages general revenue fund debt in accordance with the District's debt management policy, which states that general revenue fund debt charges are not to exceed 20% of the general revenue fund's net revenue. In 2004 the District's debt charges are at 17.7% of net 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 stand at 38.5% of revenues.

Financial Position:

The operating funds of the District generated, as at December 31st, 2004 the following surpluses/(deficits) for the year:

	\$
• General Revenue Fund	370,720
• Airport Revenue Fund	(121,566)
• Sanitary Sewer Revenue Fund	(522,052)
• Waterworks Revenue Fund	(1,062,206)

On a consolidated basis, revenues exceeded expenditures by \$2.4 million. Capital assets year over year increased by \$10.4 million. Borrowing from the Municipal Finance Authority in 2004 amounted to \$2.4 million for roads and drainage works constructed in the previous and current year and short-term capital borrowing of \$0.7million for phase I of the Dick Murphy Park development. Including capital leases outstanding long-term debt, as at the year-end, stands at \$27.9 million, which is a drop of \$1.8 million from last year.

General Operations:

Council approved in 2004 the Willow Point Highway 19A Project, which was started in the fall and will be completed in 2005. This is a major project with an estimated cost of \$9.0 million for road works, storm sewer and private utilities. It is expected that this project will assist in the revitalization of the Willow Point business community.

The Haig-Brown property and house, a significant heritage property in the history of Campbell River, was turned over to the municipality by the province. We are currently investigating various options for the maintenance and operation of this important landmark.

A protocol agreement between the District and Homalco Indian Band was signed. This agreement provides a framework for meeting and discussing issues of importance to the signatories to the agreement. It is intended that protocol agreements will be established with other First Nations in our area. In other First Nation matters the District signed a service agreement with the Cape Mudge Indian Band for the provision of municipal services to the Quinsam Reserve.

Council approved a repayable operating line of credit in an amount not to exceed \$350,000 to the Centre for Aquatic Health Sciences Society. This is bridge financing while the society waits for funding from Western Economic Diversification Canada. The society will provide research and services addressing health, safety and welfare issues for wild and cultured fish in their environments. No funds were advanced by the District in 2004.

Major industry taxation levels are something our Council has been concerned about and dealing with for the last 16 years. Since 1988 council has reduced major industry's share of the total tax levy from 58% to 33% 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.
- That Council works 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.

Supplementary Letters Patent were issued effective March 4th, 2004 which saw the satellite boundary extension of Quinsam Coal and an extension of our boundaries to the north adding an additional 1,135 hectares to the District.

Outlook:

One of the most visible ways to measure the economic health of a community is through what is happening in local construction. The year 2004 was a solid period of construction growth for our community. This improving trend was clearly evident in the 28% increase in the number of building permits issued for new construction and the 50% increase in construction values. The significance of the increase is even greater when considering the fact that 2003 saw an increase in building permits of 12% with a 45% increase in construction values over what occurred in 2002.

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 \$1,903,706,188 in 2004 to \$2,218,335,488 in 2005. This represents a growth in assessed values of 16.5%. Of course values have increased faster on the residential assessment where the percentage change between 2004 and 2005 comes in at 19.5%. 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.

The 2005 Strategic Plan has a number of initiatives that represent community partnership opportunities. The sense of partnership and community is contained within the Campbell River 2025 project which will engage our citizens in planning what the community should look like in 2025. The TEAM Campbell River Strategy is a project with the purpose of developing an integrated tourism and marketing strategy that will have specific and measurable targets. The Port of Call project is a partnership that engages the participation of the federal government, the provincial government, Campbell River Indian Band and the District of Campbell River. With the Community Connections project the District desires to strengthen its relationship between the citizens, First Nations, elected officials and staff. These corporate priorities lead to our theme for the year of **"Celebrating Community Through Partnership"**.

Campbell River residents continue to enjoy one of the lowest levels of property taxation in British Columbia.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'C. Lang', written in a cursive style.

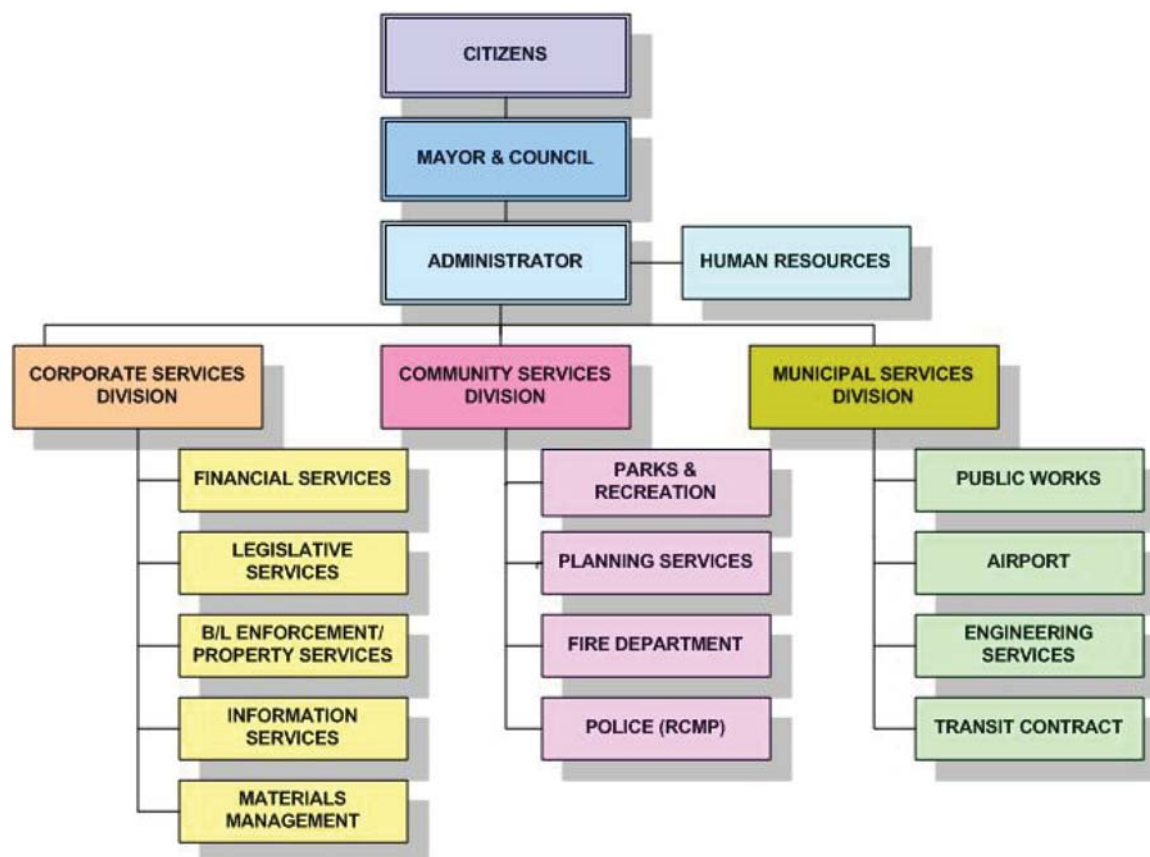
C. Douglas Lang, C.G.A.
Corporate Services Director/Treasurer

May 13th, 2005



Haig-Brown House

District of Campbell River Organizational Chart



MUNICIPAL OFFICIALS

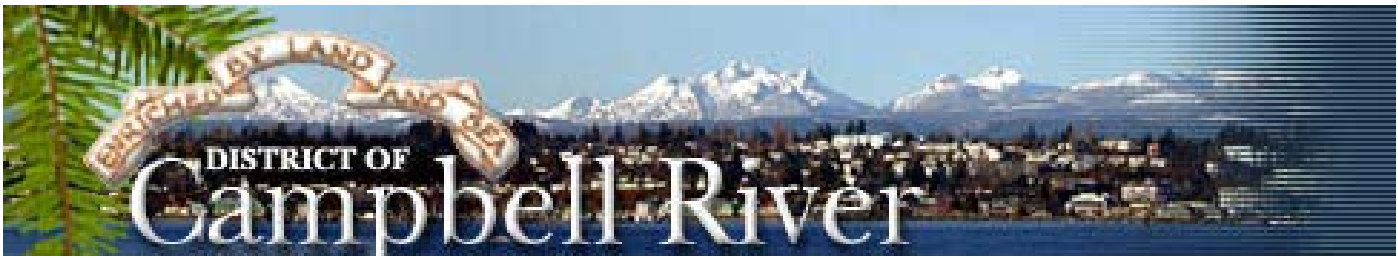
Administrator	D. D. Raines
Human Resources Manager	P. Mulcahy
Corporate Services Director	C. D. Lang
Finance Manager	A. J. Maas
Municipal Clerk	W. T. Halstead
Bylaw Enforcement/Property Services Manager	R. Harley
Information Services Manager	B. T. Smith
Materials Manager	D. G. Morris
Community Services Director	A. A. Linder
Parks & Recreation Manager	M. J. Sirett
Planning Services Manager	P. Stanton
Fire Chief	R. J. Owens
Royal Canadian Mounted Police	Inspector L. Stright
Municipal Services Director	D. W. Burns
Public Works Manager	G. Brown
Airport Manager	T. Massee
Engineering Services Manager	P. Skognes
Municipal Auditors	Meyers Norris Penny
Bankers	Canadian Imperial Bank of Commerce

District of Campbell River

2004 Departmental Reports



Cruise Ship in Discovery Passage



CORPORATE SERVICES DIVISION

The Corporate Services Division is the service support division of the municipality. Corporate Services provides service support to all departments of the municipality, the Mayor and Council and to the general public. The mandate of Corporate Services is to:

- Provide internal support services when and as required to all municipal departments on a timely and accurate basis;
- Provide superior customer service and communication on a consistent, timely and accurate basis;
- Ensure all business whether it is external or internal is conducted in accordance with current legal practices and legislation;
- Capitalize on technology where it is proven to be the most effective means of delivering service.

Financial Services

The Financial Services Department manages the District's financial information, which includes the provision of accounting services such as payroll, accounts payable, taxation, utility billings, investments, debt management, and general accounts receivable. The Department is responsible for enforcing policy and procedure in matters related to finance. The Department has 10 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 and the Public Sector Accounting Board.

2004 HIGHLIGHTS:

- Prepared the 2003 Annual Report and Financial Statements in Consolidated format in accordance with Public Sector Accounting Board. This report was submitted to the Government Finance Officers Association for review;
- One staff member completed training in payroll at the introductory level through the Canadian Payroll Association;
- Maintained a focus on customer service with three staff members attending a course entitled "Excellence in Customer Service";
- Implemented remote entry of payroll data at Public Works;
- Developed a new costing format for capital works projects;
- Staff was involved in the testing of a new Human Resources Information System Module;
- In conjunction with Information Services implemented an electronic method of claiming home owner grants;
- Began work on implementing an E-Commerce solution for the electronic acceptance of internet payments (VISA) for Traffic Tickets, Utility payments, Dog Licences, Garbage Tickets, and Business Licence applications;
- The Finance Manager attended the Municipal Administration Training Institute - MATI II.

Legislative Services

Legislative Services is responsible for the corporate administration of the Municipality. This includes statutory powers, duties and functions specified in the Community Charter. The Municipal Clerk is the designated Freedom of Information Coordinator to administer the Freedom of Information and Protection of Privacy Act and is responsible for managing general access to information. Legislative Services has 4.5 full time equivalent staff.

Legislative Services is involved in:

- Providing assistance and information to the public and staff concerning District policies, bylaws, regulations, Council and Committee actions;
- Responsible for supervising the preparation and maintenance of official records of the District including general access to information related to the Council meeting process for Council, staff and the public;
- Advising Council, its Committees, Department Heads and others concerned as to resolutions, enactments, bylaws and other official decisions of the District. In this capacity, the Clerk is required to draft bylaws and contracts, and to interpret and report on a variety of legislative and administrative decisions;
- Legal services contract;
- Council policy and procedure manuals;
- Bylaw drafting and execution.

2004 HIGHLIGHTS:

- Implemented a Council Highlights publication to improve communications with the Public;
- Provided staff support in negotiating the Leaseholder Services Agreement with the Campbell River Indian Band and the Cape Mudge Indian Band;
- Updated the Records Management System into an electronic searchable filing system;
- Commenced disposition of surplus rights of way;
- Managed numerous implementation issues dealing with the Community Charter;
- Prepared a new Council Procedure Bylaw to comply with requirements of the Community Charter.

Information Services

In 2004, Information Services became actively involved in overseeing the implementation of a Supervisory Control and Data Acquisition (SCADA) system working in conjunction with the District's Engineering and Public Works departments. We have also taken measures to provide the various departments and staff with faster, more secure networking while lowering the yearly capital costs for replacement of hardware. We continue to develop our web site, making it a useful tool for the public and staff. We also took the first steps toward providing the ability to pay fines and certain bills through our website, this is expected to become a reality in 2005. For the first time in Campbell River, taxpayers were offered the ability to complete homeowner grants on-line and submit them by email to the Campbell River Finance Department for processing.



Materials Management Services

Materials Management Services is one of five departments in the Corporate Services Division. The department's primary functions are that of building maintenance, general vehicle fleet planning, purchasing and stores. With respect to maintenance, the department works closely with all other municipal departments and building occupants. The largest consumers of our services are Engineering and Public Works. To a lesser degree we also serve all other municipal departments.

The Materials Manager prepares and administers the annual budget for the department, oversees the maintenance and repairs of all of the District's facilities, oversees the planning and replacement of vehicles in the general fleet, and manages all major contracting competitions for goods and services for all departments.

2004 HIGHLIGHTS:

- Administered building maintenance and repair budget of approximately \$1,200,000, covering approximately 20 major facilities;
- Conducted negotiations, or competitions (Requests for Offers, Tenders and Requests for Proposals) for numerous District projects for a total value in excess of \$1,500,000;
- RFP/Tenders/RFO's up to 66, an increase of 23% over 2003.



Centennial Building

Bylaw Enforcement/Property Services

Bylaw Enforcement and Property Services is accountable for the following functions – Bylaw Enforcement, Business Licencing, Property Management, Risk Management, and Building Inspection.

In order to meet these responsibilities, the Department provides the following services:

- Responds to complaints from the general public in relation to bylaw infractions to ensure quality of life and health and safety;
- Manages the contracted services of the S.P.C.A. for animal control and enforcement;
- Provides parking enforcement;
- Approves and issues business licences;
- Liaises with legal counsel, Provincial Court Registry, R.C.M.P., S.P.C.A. and Fire Department with respect to charges laid through Municipal Ticket Information and other Bylaw charges;
- Provides investigative training for other departments;
- Supplies building inspection services and sign permits;
- Works in conjunction with the Legislative Services Department to draft new bylaws;
- Negotiates, prepares and maintains leases and licences of occupation for use of District owned property;
- Buys and sells property on behalf of the District, ensures that easements and rights of way are registered to protect District interests;
- Responds to issues raised by occupants of District owned property;
- Provides information and advice to management and staff regarding risk management;
- Coordinates claims against the District by referrals to the Municipal Insurance Association (MIA), as well as providing MIA, its adjusters and legal counsel with information as required to defend against most claims;
- Gives advice and information to management and Council on significant issues with respect to claims against the District, insurance coverage and cost, bylaw enforcement, business licencing issues, building inspection and District owned property.

2004 HIGHLIGHTS:

- Implemented new application procedure for Business Licencing;
- Began the process to computerize the Building Inspection & permit procedure;
- Implemented a Risk Management Policy for the District;
- Reorganization of the Building Inspection Department;
- Established a dedicated position for property issues.

COMMUNITY SERVICES DIVISION

The Community Services Division is responsible for “people services” within the community. The Community Services Division works cooperatively with the Mayor and Council and other Departments to ensure that the general public of Campbell River receives high quality servicing in order to meet community needs.

The mandate of Community Services is to:

- Promote, facilitate and deliver services that enhance quality of life and safety in the community;
- Provide superior internal and external communications and customer services;
- Provide leadership and coordination for the upkeep of services within the community;
- Provide leadership and innovation for sustainable development of the community’s physical environment.

The following Departments are within the Community Services Division.

Planning Services

Planning Services deals primarily with the preparation of land use policies and regulations, the processing of applications for bylaw amendment and permits, and dealing with day-to-day inquiries for the use and development of property. The preparation of policies and regulations includes the preparation and adoption of the official community plan, the zoning bylaw, the subdivision bylaw, development cost charges, etc. The processing of applications and permits includes applications by landowners for amendments to the official community plan and zoning bylaw, for development permits and development variance permits, as well as for the subdivision of land. The official community plan is primarily a guideline for growth and development. The zoning bylaw, subdivision bylaw, and permit approval processes for development and development variance permits are primarily regulatory and serve to assist in the administration and implementation of the official community plan.

2004 HIGHLIGHTS

- Processed 11 Official Community Plan amendment applications;
- Processed 15 zoning amendment applications;
- Processed a total of 10 Development Variance Permit applications, and 24 Development Permit applications;
- 2004 was also an extremely busy year for subdivision applications where 38 different subdivision applications were received and processed, including stratas, for a combined total request for 298 lots;
- Revenues from all planning applications exceeded budget expectations for the year by more than 90%;
- Completed progressive steps towards further automation of planning application processes, to provide an application-tracking process, and provide summary reports;
- Acquisition of the ArcEditor and Arc 3-D Analyst programs have enhanced departmental GIS capabilities, and provided graphic 3-dimensional projects to Council for controversial development applications;
- Preparation of a new Official Community Plan – the final draft was completed and reviewed with Council.

Parks and Recreation

The Parks and Recreation Department oversees the operation of the Sportsplex, Community Centre, Centennial Pool, Discovery Pier, 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 Parks, Recreation and Cultural Commission, Youth Advisory Committee, Campbell River Access Awareness Committee, Field User Fee Advisory Group, Happy Wanderers Committee and a variety of focus groups specific to program interests. Campbell River Parks and Recreation is committed to providing recreation and parks services for people of all ages, stages and abilities.

2004 HIGHLIGHTS:

- The Parks and Recreation Department was able to complete the following projects with minimal impact on the financial plan;
 - With help from the community completed a second 9-holes to complete an 18-hole Disc Golf Course;
 - Worked with the Crush Volleyball Club to improve the outdoor sand volleyball courts;
 - Created detailed GIS maps of Nunn's Creek Park, Centennial Park and Willow Point Park;
- Obtained a \$1.4 million Infrastructure Grant to complete the first two phases of the Dick Murphy Park development and a walkway connecting the park to the Discovery Harbour Centre;
- Initiated a Community Beautification Plan;
- Working with a Community Committee, secured the services of a skate park architect to provide plans for a skate park in Willow Point Park;
- Secured \$70,000 from a variety of granting sources for plantings in the Baikie Island project;
- Began the process for creating a Parks Master Plan;
- Initiated an improved process for selection of Field User Fee projects;
- Created a web site for the Parks and Recreation Department;
- Placed 23 benches and 5 picnic tables through the Legacy Landmarks program.



Dick Murphy Park Development

Fire Services

The Fire Department provides service 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 19.6 suppression firefighter positions, 51 auxilliary firefighters, 2 fire prevention officers and 3.2 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 9.7 FTE Dispatchers and provides professional dispatch service to 50 Fire Departments from Nanaimo north on Vancouver Island and also part of the Sunshine Coast including Powell River.

Our career staff continues to train in specialized services such as confined/rope rescue and hazardous materials. This specialized training is over and above the regular suppression and rescue duties they routinely provide.

2004 HIGHLIGHTS:

- Responded to 1,451 calls;
- Firefighters took refresher training in hazardous materials response;
- Two career firefighters trained the technical level for hazardous material response;
- Suppression staff conducted 3,000 inspections;
- Awarded a Heavy Search and Rescue Grant for approximately \$43,000 to purchase a new special operations vehicle and power generator;
- 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 three classes with the Fire Safety House;
- Open House during Fire Prevention Week included demonstrations by careers and volunteers;
- Computer dispatch software upgraded for fire dispatch and new communications towers placed to improve reception in the system;
- Study commenced on new location for No. 1 Fire Station.



“Western Producer” boat fire in Discovery Harbour Marina

Police Services

The Campbell River RCMP Detachment has seen considerable change in the year 2004. In keeping with this change, we have implemented new concepts as well as experienced the reorganization of many of our resources. Following is a summary of some of the more significant accomplishments made during 2004.

2004 HIGHLIGHTS:

- Successfully reorganized our records management systems;
- Successful in increasing the number of enforcement hours allotted to Campbell River in the Enhanced Road Safety Enforcement initiative (ERSE). The hours increased from 48 to 60, which is the equivalent of 1.5 extra members policing the streets of Campbell River;
- Our Traffic Safety Program has been very successful. Our targeted moving traffic offences increased 39% with our non-moving traffic offences up 62%. The positive effect of this enforcement is a drop of 25% in injury accidents, -14% in overall reported accidents and no fatalities to this point in time. Our goal was to effect a 5% reduction in all categories;
- Over the last year our Officers were able to apprehend and successfully convict several persons who were very active players in the local drug and property crime business;
- Initiated a three officer bike patrol in the early part of June which was very visible on our local streets. In mid summer, the unit was reduced to one person to meet other resource demands;
- One Officer participated as a rider in the very successful Tour de Rock. Over \$40,000.00 was raised in Campbell River to help children with cancer;
- Detachment employees attended over 33 courses/seminars with a total figure of 78 employee participants;
- Our Detachment hosted a Campbell River youth as a summer student;
- We continue to have seven trained DARE Officers who participated in eight local schools;
- This year started with 8 fully trained RCMP auxiliary officers. With funding received from the Province and the District of Campbell River, thirteen new auxiliary members will be added in the Spring of 2005;
- Detachment participated in two community town hall meetings and developed a proactive and effective process to deal with and dissuade prostitution on our streets;
- Citizens on Patrol reactivated our Neighbourhood Watch Program and a Home Security Program. This group of 120 volunteers contributed extensive hours in numerous crime prevention programs in Campbell River;
- RCMP Victims Assistance was very successful in recruiting and training new members to their program. They continue to provide an excellent service to victims of crime or trauma.



MUNICIPAL SERVICES DIVISION

The Municipal Services Division is responsible for the provision of the operational systems within the community. This would include the Airport, Engineering Services, Public Works and Transit. Working diligently to fulfill the direction set by the Mayor and Council, and in cooperation with other District Departments to ensure that the citizens of Campbell River receive quality service. It is the primary objective that the operations of these departments run effectively, safely and efficiently and that the activities of each department adhere to District bylaws and policies, as mandated by the Community Charter, the Local Government Act, Council and the Chief Administrative Officer.

The mandate of the Municipal Services Division is to:

- Provide effective, safe and efficient services to the public;
- Maintain and sustain the community's infrastructure;
- Upgrade the infrastructure to ensure its longevity and maximize its utilization.

Engineering Services

Engineering Services is responsible for a wide range of technical and contract administration functions associated with planning, budgeting, securing funding, designing and constructing civil infrastructure which includes, but is not limited to, transportation networks and support facilities, storm water management systems, drinking water treatment and distribution systems and sanitary sewer collection and treatment systems. In addition, administrative responsibility includes records management, developing and implementing construction policies, procedures, standards, regulations and programs as they relate to engineering services. The department critiques subdivision and development proposals and enforces compliance with relevant construction policies, bylaws and standards. Miscellaneous duties include environmental protection, handling referrals from other governments, providing technical assistance to other departments, responding to public inquiries and the administration of the garbage collection contract.

2004 HIGHLIGHTS:

Studies/Reports:

- John Hart Lake Hydrology Study;
- Watershed Best Management Practices and Development Guidelines;
- Water Conservation Study;
- Water Quality-Corrosion and Ultra Violet Disinfection Facility Preliminary Report;
- Annual Water Quality and Use Reports;
- 6 litre Toilet Report;
- Biosolids Management;
- Long Range Sewage Strategy;
- Environmental Action Plan;
- Holly Hills and Perkins Road Integrated Stormwater Management Plan;
- Master Transportation Plan for Area Roads;
- Big Rock Boat Ramp Bank Stabilization Report;
- Quinsam Area Water System Study.

Tasks/Projects:

- Water system model;
- Water treatment system improvements and upgrades (2 existing and 1 new disinfection stations);
- New water reservoir adjacent to Snowden Road;
- Snowden Road water supply main;
- Evergreen Road reservoir seismic upgrades;
- Water Source and System Emergency Response Plan;
- Sewage Lift Station No. 2;
- 1st Avenue Local Improvement Project (roadway and all municipal utilities);
- Woodburn Road storm drain installation;
- Big Rock Boat Ramp shoreline stabilization;
- Highway 19A Willow Point roadway and municipal utility designs (electrical utilities in 2005);
- SCADA design (joint project with Public Works and Information Services).

Public Works

Public Works is responsible for maintaining municipal services infrastructure. This infrastructure includes the water utility, sewer utility, storm sewer and drainage system, roads, traffic signals, street lights, and parks and open spaces.

2004 HIGHLIGHTS:

Administrative:

- Responded to 2,164 Service Requests;
- Assumed responsibility for Equipment Pool maintenance and Shop operations;
- New Leadhand and Operator in Training positions at Norm Wood Environmental Centre;
- Created and filled Operator III and Operator II positions in Water Works Section;
- In cooperation with Engineering created and filled Temporary Infrastructure Leadhand position;
- Created and filled SCADA Technologist position;
- Initiated Equipment Operator Training and Certification process;
- Revalidated current risk assessments and safe work procedures;
- Provided training to staff in muscular skeletal injury prevention, trenching and shoring, WHMIS, confined space entry, core supervisory, and fire extinguisher operations.

Water:

- Completed Snowden Road water main upgrade;
- Working with the Engineering Department, completed reconstruction of all chlorination stations and began calibration;
- Refurbished Shetland Road Cathodic Protection Field;
- Watermain Highway 19A reconstruction;
- Working with Engineering, began design work on Ultra Violet Disinfection Facility;
- Reconstructed watermain on 1st Avenue as part of Local Improvement Program;
- Completed pressure testing for water model calibration.

Roads:

- 1st Avenue Local Improvement Project completed;
- Pavement overlays on Pier Street, Westgate, Ebert, Frances, McDonald, McDougall, Azalea, Leed, 15th, Erickson, Fawn, Superior, Woodburn and Snowden;
- Completed upgrade to traffic signal at Garnet and South Alder then removed it when Rockland School closed;
- Began reconstruction of Highway 19A through Willow Point.



Sanitary Sewer:

- Commissioned No. 2 Lift Station;
- Design work for No. 9 Lift Station upgrade complete;
- Maintained A+ rating in effluent quality at Norm Wood Environmental Centre;
- Upsized sanitary sewer through Highway 19A reconstruction project.;
- Began Biosolids Management Program at Norm Wood Environmental Centre;
- Refurbished odour control biofilter at Norm Wood Environmental Centre.

Drainage:

- Woodburn Road storm drainage improvements complete;
- Began construction of storm drainage system through Highway 19A reconstruction project.



Equipment Replacement:

- In cooperation with Materials Management Department issued RFPs for purchase of Electrical Service and Bucket Truck and for the refurbishing of Crane Truck;
- Purchased new Waterworks Service Truck.

Airport

The District owns and operates a federally licensed airport, which adheres to all Canadian Aviation Regulations (CAR's) for the operation of an airport. As directed by Council, the airport has developed a user pay system, which helps maintain an annual balanced budget, therefore, no municipal tax dollars go to its operation. A key role of the manager is to develop short and long-term plans for economic development at the airport as well as develop and implement short and long-term capital programs, with funding assistance through the Transport Canada Airport Capital Assistance Program (ACAP).

2004 HIGHLIGHTS:

- Began implementation of the Aircraft Emergency Intervention Service (AEIS) with ongoing training, service to be effective December 2005;
- Removal of trees and vegetation on runway approach surfaces completed;
- Designed and tendered the Passenger Security Screening upgrades, a Canadian Air Transport Security Authority (CATSA) funded program;
- Increased land-lease tenant base;
- Completed minor paving program from parallel taxiway.



Public Transit

In partnership, B.C. Transit and the District have contracted with Watson and Ash Transportation Ltd. to provide public transit to all areas of the District and a portion of Area 'D' of the Regional District of Comox-Strathcona. Service is provided six days per week, approximately twelve hours per day. It includes conventional transit service on an operating schedule, as well as a custom service, which is via reservations for persons with special needs.

2004 HIGHLIGHTS:

Conventional transit:

- 16,958 hours of service provided, down 0.6% due to service reduction;
- Total costs were \$1,241,000, up 1.4%;
- Revenue was \$536,000, up 13.5%;
- Ridership was 347,000, up 9.3%;
- A targeted marketing campaign following the closing of Robron Middle School helped to boost student ridership in 2004.

Custom transit:

- 5,462 hours of service provided, down 0.9%;
- Total costs were \$299,000, down 1.5%;
- Both ridership (23,000) and revenue (\$51,000) were up strongly from 2003, with increases of 10.7% and 21.3% respectively.

ECONOMIC DEVELOPMENT

The Campbell River Economic Development Corporation [EDC], Rivercorp, was created in 2001 to “provide one stop progressive economic development services through partnerships on behalf of shareholders and the community.” The corporation is owned by the Municipality and maintains an autonomous and separate Board of Directors comprised of seven independent business people supported by two full-time employees at the Campbell River Enterprise Centre.

The vision for the Corporation is to “create a vibrant local and regional business climate for the economic and social benefit for the people of Campbell River and value for shareholders of the Corporation.” The municipal contribution to operations for 2004 was \$175,000.

The goals for the Corporation are: retaining existing businesses by responding to business needs and fostering a favorable business environment; expanding local commerce by helping businesses to access capital, knowledge and markets to realize growth; and recruiting new enterprises by encouraging external businesses to invest or relocate in Campbell River.

2004 Highlights:

- Responded to more than 1,000 inquiries and expressions of interest in Campbell River;
- Completion of a local economic analysis for Campbell River resulting in a targeted economic development strategy and a new focus for the corporation;
- Establishment of Aerospace Campbell River, a coalition of air industry business designed to promote the development of the airport at www.aerospace.incampbellriver.com;
- Sale of 6 lots in the industrial park valued at more than \$100,000;
- Completion of the Campbell River economic development web sites at www.incampbellriver.com and www.rivercorp.ca;
- The upgrading and development of new products for www.retire.incampbellriver.com, a site built for retirees, by retirees;
- Contributing to the annual Pacific Aquaculture Exchange trade show and conference;
- The acquisition of Synchronist software to complete a business climate report in 2005.

Tourism and Film Development

The Municipality invested \$97,000 in Tourism Management for Campbell River through Tourism North Central Island Society, an additional \$75,000 for the maintenance of the Campbell River Visitor InfoCentre through the Chamber of Commerce, and \$35,000 for the Port of Call Cruise Ship Development Strategy, and a contribution of \$33,000 to the North Island Tourism Strategy.

In 2004, the Mayor and Council established the Tourism, Event, Attractions and Marketing Task Force to review efforts to promote and manage tourism for Campbell River. An additional \$25,000 was allocated to this task with the final report planned for June of 2005.

\$50,000 was contributed on behalf of Campbell River to North Island Film Commission to promote industry development and site selection in Campbell River and on the North Island.

A total of \$315,000 was invested in these retail sectors to build business and offset dependencies on the resource economy.

OBJECTIVES AND MEASURES SECTION

STATEMENT OF MUNICIPAL OBJECTIVES AND MEASURES

The Community Charter (section 98) requires that municipalities include in their annual report a statement of municipal objectives and measures that will be used to determine progress respecting those objectives for the current and next year. This new requirement will be phased-in over three years. For the first annual report (2003) the only requirement was a statement on municipal objectives for 2005. The second annual report (2004) must restate the objectives and measures for 2005 and include objectives and measures for 2006. The third annual report (2005) will include a progress report for the year 2005, restate the 2006 objectives and measures as well as a statement of objectives and measures for the year 2007. Council has approved the following 2005 and 2006 objectives and measures:

2005 OBJECTIVES AND MEASURES

Administration:

- Adoption of 2005 Financial Plan that continues to reduce dependence on taxation from major industry with target for major industry levy to be no more than 32% of total tax levy.
- Provide annually information on number of employees in relation to population. Objective would be to restrict annual growth in the work force to less than 1%.
- Public Communications – develop and implement a communications strategy that would see the District keeping the general public informed on District issues. The objective would be to at a minimum have some form or forms of communication to the public at least 24 times during the 2005 calendar year.

Corporate Services:

- Implement electronic payment system for some accounts. Development of processes will be given to parking ticket payments, taxes and dog licenses as the first step of development of this service.
- Building permits - to process 90% of all building permit applications within 10 working days from receipt of fully completed application.

Municipal Services:

- Monitor and manage operating costs for water treatment and distribution with objective to contain annual per kilometre cost of increases to no more than Consumer Price Index (CPI) (Canada).
- Raise awareness of water consumption through a public information program for the purpose of reducing per capita usage *by 10% by 2010*, using 2003 as the base year.
- Monitor and manage operating costs for wastewater disposal & treatment with objective to contain annual per kilometre cost of annual increases to no more than CPI (Canada).
- Monitor and manage cost of maintaining roads (includes sidewalks, bike paths, boulevards and ditches) based on kilometres of roadway. Objective will be to contain annual per kilometer cost increase for maintenance in 2005 to no more than CPI (Canada).

Community Services:

- Establishment of Regional District based emergency program.
- Establishment of an urban interface wildfire public information program with objective to reduce fire hazard risk.

2006 OBJECTIVES AND MEASURES

Administration:

- Adoption of 2006 Financial Plan that reduces dependency on taxation from major industry with target for the major industry levy to be no more than 30% of the total tax levy.
- Public Communication – maintain communications with the general public that would see the public being kept regularly informed on community issues. The objective for 2006 is to at a minimum communicate with the general public at least 24 times during the year.

Corporate Services:

- Electronic payments – continuation of the 2005 objective to expand acceptance of payments via electronic means.
- Building Permits – maintain service response time when processing residential permits to 90% of permits processed to be within 10 working days from receipt of fully completed application.

Municipal Services:

- Monitor and manage operating costs for water treatment and distribution with objective to contain annual per kilometre cost of increases to no more than Consumer Price Index (CPI) (Canada).
- Raise awareness of water consumption through a public information program for the purpose of reducing per capita usage *by 10% by 2010*, using 2003 as the base year.
- Monitor and manage operating costs for wastewater disposal & treatment with objective to contain annual per kilometre cost of annual increases to no more than CPI (Canada).
- Monitor and manage cost of maintaining roads (includes sidewalks, bike paths, boulevards and ditches) based on kilometres of roadway. Objective will be to contain annual per kilometer cost increase for maintenance in 2006 to no more than CPI (Canada).

Community Services:

- Community Fitness – to increase the level of participation of the general public in fitness programs offered by the Parks and Recreation Department by 5% over the previous year.
- Fire Safety/Prevention – increase public awareness of fire safety and prevention through the offering of two fire department open house programs during 2006 with the objective to increase the number of homes with smoke detectors/alarms and carbon monoxide detectors.



Torii Gate at Sequoia Park

FINANCIAL SECTION



Discovery Harbour Shopping Centre / Marina Walkway



AUDITORS' REPORT

MEYERS NORRIS PENNY LLP

To the Mayor and Council
District of Campbell River

We have audited the consolidated statement of financial position of the District of Campbell River as at December 31, 2004 and the consolidated statements of changes in financial position, financial activities, operating funds, capital funds and reserve funds for the year then ended. These financial statements are the responsibility of the Municipality'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 Municipality as at December 31, 2004 and the results of its operations and changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Meyers Norris Penny LLP


Chartered Accountants

Campbell River, BC

April 8, 2005

DISTRICT OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
FINANCIAL ASSETS		
CASH	243,923	793,818
INVESTMENTS (Note 2)	39,705,364	37,415,529
LAND HELD FOR RESALE	619,359	683,424
ACCOUNTS RECEIVABLE (Note 4)	3,292,807	3,019,052
TAX SALE PROPERTIES	38,434	13,975
MFA DEBT RESERVE FUND (Note 8)	3,783,351	3,664,639
DEPOSITS	9,144	9,048
	<u>47,692,382</u>	<u>45,599,485</u>
FINANCIAL LIABILITIES		
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (Note 5)	8,030,340	7,451,081
DEFERRED REVENUE (Note 7)	5,165,882	4,407,922
MFA DEBT RESERVE FUND (Note 8)		
Cash	906,791	857,515
Demand Notes	2,876,560	2,807,124
CAPITAL LEASE (Note 9b)	2,829,146	3,102,285
LONG-TERM DEBT (Note 10)	25,117,181	26,635,805
	<u>44,925,900</u>	<u>45,261,732</u>
NET FINANCIAL ASSETS/LIABILITIES	<u>2,766,482</u>	<u>337,753</u>
PHYSICAL ASSETS		
Engineering Structures	199,987,538	189,916,032
Buildings	26,237,335	26,237,335
Machinery & Equipment	11,223,191	10,909,481
Land	16,395,898	16,335,340
	<u>253,843,962</u>	<u>243,398,188</u>
NET POSITION	<u>256,610,444</u>	<u>243,735,941</u>
MUNICIPAL POSITION		
Equity in Physical Assets	225,897,635	213,660,100
Fund Balances		
Capital Fund	6,178,045	4,931,091
Operating Fund	23,249,396	24,107,064
Reserves	1,285,368	1,037,686
	<u>256,610,444</u>	<u>243,735,941</u>


C.D. Lang, C.G.A.

Corporate Services Director

The Notes to the Consolidated Financial Statements are an integral part of these financial statements

DISTRICT OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
AS AT DECEMBER 31, 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
OPERATIONS		
Net Before Financing Activities	2,428,730	5,441,558
Add Non-Cash Items		
Increase/(Decrease) in Deferred Revenue	<u>757,960</u>	<u>349,571</u>
	<u>3,186,690</u>	<u>5,791,129</u>
Decrease/(Increase) In		
Accounts Receivable	(273,755)	(571,593)
Tax Sale Properties	(24,459)	5,322
MFA Debt Reserve Fund	(118,712)	25,252
Deposits	(96)	-
Increase/(Decrease) In		
Accounts Payable	397,376	259,751
MFA Debt Reserve Fund	118,712	(25,252)
Accrued Wages, Fringe Benefits & Withholdings	<u>181,881</u>	<u>81,824</u>
	<u>280,947</u>	<u>(224,696)</u>
NET INCREASE/(DECREASE) IN CASH FROM OPERATING	<u>3,467,637</u>	<u>5,566,433</u>
INVESTING		
Decrease/(Increase) In		
Land Held for Resale	64,065	-
Investments	<u>(2,289,835)</u>	<u>(1,234,778)</u>
NET INCREASE/(DECREASE) IN CASH FROM INVESTING	<u>(2,225,770)</u>	<u>(1,234,778)</u>
FINANCING		
Long-Term Debt Issued	3,168,700	923,000
Long-Term Debt Repaid	<u>(4,960,462)</u>	<u>(4,871,046)</u>
NET INCREASE/(DECREASE) IN CASH FROM FINANCING	<u>(1,791,762)</u>	<u>(3,948,046)</u>
NET CHANGE IN CASH	<u>(549,895)</u>	<u>383,609</u>
OPENING CASH	<u>793,818</u>	<u>410,209</u>
CLOSING CASH	<u><u>243,923</u></u>	<u><u>793,818</u></u>

The Notes to the Consolidated Financial Statements are an integral part of these financial statements

DISTRICT OF CAMPBELL RIVER
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

REVENUE	2004 \$	BUDGET \$	2003 \$
TAXATION/USER FEES	26,412,932	26,183,674	25,998,379
GRANTS IN LIEU OF TAXES	1,075,886	1,040,375	1,041,174
SERVICES PROVIDED TO OTHER GOVERNMENTS	619,452	592,600	1,099,841
SALE OF SERVICES	2,638,591	2,779,868	2,477,308
OTHER REVENUE FROM OWN SOURCES	7,536,566	5,529,002	8,407,719
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS	523,890	683,400	195,476
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS	1,574,987	3,661,496	2,000,655
ACTUARIAL ADJUSTMENTS	1,132,238	1,022,630	972,811
TOTAL REVENUE	41,514,542	41,493,045	42,193,363
OPERATING EXPENDITURES			
GENERAL GOVERNMENT SERVICES	3,707,733	4,479,834	3,430,032
PROTECTIVE SERVICES	9,554,709	9,881,547	9,626,033
TRANSPORTATION SERVICES	3,807,656	4,349,378	3,788,134
ENVIRONMENTAL HEALTH SERVICES	531,998	580,379	523,355
SEWER OPERATION & MAINTENANCE	1,510,897	1,622,074	1,294,635
WATER SUPPLY & MAINTENANCE	764,490	823,995	913,004
PUBLIC HEALTH & WELFARE SERVICES	79,245	88,482	88,042
ENVIRONMENTAL DEVELOPMENT SERVICES	804,703	974,206	917,450
RECREATION & CULTURAL SERVICES	3,536,736	3,836,644	3,601,574
INTEREST & DEBT ISSUE EXPENSES	3,258,604	3,954,950	3,513,631
CONTINGENCIES	-	124,135	-
UNCONDITIONAL TRANSFERS TO OTHER GOVTS	110,000	114,800	111,182
CONDITIONAL TRANSFERS TO OTHER GOVTS	894,147	894,147	891,735
COST OF LAND SOLD	64,065	-	-
	28,624,983	31,724,571	28,698,807
PURCHASE/SALE OF PHYSICAL ASSETS			
Engineering Structures	10,071,505	14,833,786	4,824,937
Buildings	-	241,000	2,622,820
Machinery & Equipment	328,765	1,771,495	511,588
Land	60,559	2,151,000	93,653
	10,460,829	18,997,281	8,052,998
TOTAL EXPENDITURES	39,085,812	50,721,852	36,751,805
NET REVENUE/(EXPENDITURES)	2,428,730	(9,228,807)	5,441,558
Add/(Deduct):			
New Debt Issued	3,168,700	4,453,700	923,000
Debt Principal Repayment	(3,828,224)	(3,747,086)	(3,898,235)
Actuarial Adjustment on Debt	(1,132,238)	(1,022,630)	(972,811)
(DECREASE)/INCREASE IN LONG-TERM FINANCING	(1,791,762)	(316,016)	(3,948,046)
CHANGE IN FUND BALANCES	636,968	(9,544,823)	1,493,512

The Notes to the Consolidated Financial Statements are an integral part of these financial statements

DISTRICT OF CAMPBELL RIVER
CONSOLIDATED OPERATING FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>BUDGET</u>	<u>2003</u>
REVENUE	\$	\$	\$
TAXATION/USER FEES	26,412,932	26,183,674	25,998,379
GRANTS IN LIEU OF TAXES	1,075,886	1,040,375	1,041,174
SERVICES PROVIDED TO OTHER GOVERNMENTS	619,452	592,600	1,099,841
SALE OF SERVICES	2,638,591	2,779,868	2,477,308
OTHER REVENUE FROM OWN SOURCES	3,243,133	3,068,402	3,213,976
UNCONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS	523,890	683,400	195,476
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS	787,253	986,496	1,867,023
ACTUARIAL ADJUSTMENTS	1,132,238	1,022,630	972,811
TOTAL REVENUE	<u>36,433,375</u>	<u>36,357,445</u>	<u>36,865,988</u>
EXPENDITURES			
GENERAL GOVERNMENT SERVICES	3,707,733	4,479,834	3,430,032
PROTECTIVE SERVICES	9,554,709	9,881,547	9,626,033
TRANSPORTATION SERVICES	3,807,656	4,349,378	3,788,134
ENVIRONMENTAL HEALTH SERVICES	531,998	580,379	523,355
SEWER OPERATION & MAINTENANCE	1,510,897	1,622,074	1,294,635
WATER SUPPLY & MAINTENANCE	764,490	823,995	913,004
PUBLIC HEALTH & WELFARE SERVICES	79,245	88,482	88,042
ENVIRONMENTAL DEVELOPMENT SERVICES	804,703	974,206	917,450
RECREATION & CULTURAL SERVICES	3,536,736	3,836,644	3,601,574
INTEREST & DEBT ISSUE EXPENSES	3,258,604	3,954,950	3,513,631
CONTINGENCIES	-	124,135	-
UNCONDITIONAL TRANSFERS TO OTHER GOVTS	110,000	114,800	111,182
CONDITIONAL TRANSFERS TO OTHER GOVTS	894,147	894,147	891,735
TOTAL EXPENDITURES	<u>28,560,918</u>	<u>31,724,571</u>	<u>28,698,807</u>
NET REVENUE/(EXPENDITURES)	<u>7,872,457</u>	<u>4,632,874</u>	<u>8,167,181</u>
NET TRANSFER (TO)/FROM RESERVES	-	121,000	-
NET TRANSFER (TO)/FROM CAPITAL	(3,769,663)	(7,393,820)	(2,590,960)
DEBT PRINCIPAL REPAYMENT	<u>(4,960,462)</u>	<u>(4,769,716)</u>	<u>(4,871,046)</u>
NET TRANSFERS AND FUNDING	<u>(8,730,125)</u>	<u>(12,042,536)</u>	<u>(7,462,006)</u>
CHANGE IN OPERATING FUND	<u>(857,668)</u>	<u>(7,409,662)</u>	<u>705,175</u>
OPENING BALANCE	<u>24,107,064</u>	<u>24,107,064</u>	<u>23,401,889</u>
CLOSING BALANCE	<u>23,249,396</u>	<u>16,697,402</u>	<u>24,107,064</u>

The Notes to the Consolidated Financial Statements are an integral part of these financial statements

DISTRICT OF CAMPBELL RIVER
CONSOLIDATED CAPITAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>BUDGET</u>	<u>2003</u>
	\$	\$	\$
REVENUE			
OTHER REVENUE FROM OWN SOURCES			
Sale of Equipment	1,047	-	123,093
Subdivision Developers	3,628,874	-	1,337,160
Donations	-	-	2,541,774
Investment Income	100,172	8,600	129,552
Commuted Local Improvements	1,890	-	161,991
MFA Surplus Repatriation	203,051	-	789,566
Deferred Revenue Realized	110,717	2,424,000	61,745
	<u>4,045,751</u>	<u>2,432,600</u>	<u>5,144,881</u>
CONDITIONAL TRANSFERS FROM OTHER GOVERNMENTS	<u>787,734</u>	<u>2,675,000</u>	<u>133,632</u>
TOTAL REVENUE	<u>4,833,485</u>	<u>5,107,600</u>	<u>5,278,513</u>
EXPENDITURES			
COST OF LAND HELD FOR RESALE	<u>64,065</u>	<u>-</u>	<u>-</u>
PURCHASE OF PHYSICAL ASSETS			
Engineering Structures	10,071,505	14,833,786	4,824,937
Buildings	-	241,000	2,622,820
Machinery & Equipment	328,765	1,771,495	511,588
Land	60,559	2,151,000	93,653
TOTAL EXPENDITURES	<u>10,460,829</u>	<u>18,997,281</u>	<u>8,052,998</u>
NET REVENUE/(EXPENDITURES)	<u>(5,691,409)</u>	<u>(13,889,681)</u>	<u>(2,774,485)</u>
NET TRANSFER (TO) FROM OPERATING	3,769,663	7,393,820	2,590,960
DEBT ISSUED	<u>3,168,700</u>	<u>4,453,700</u>	<u>923,000</u>
NET TRANSFERS AND FUNDING	<u>6,938,363</u>	<u>11,847,520</u>	<u>3,513,960</u>
CHANGE IN CAPITAL FUNDS	1,246,954	(2,042,161)	739,475
OPENING BALANCE	<u>4,931,091</u>	<u>4,931,091</u>	<u>4,191,616</u>
CLOSING BALANCE	<u><u>6,178,045</u></u>	<u><u>2,888,930</u></u>	<u><u>4,931,091</u></u>

The Notes to the Consolidated Financial Statements are an integral part of these financial statements

DISTRICT OF CAMPBELL RIVER
CONSOLIDATED RESERVE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	<u>2004</u>	<u>BUDGET</u>	<u>2003</u>
	\$	\$	\$
REVENUE			
OTHER REVENUE FROM OWN SOURCES			
Investment Income	24,505	28,000	28,862
Sale of Land	210,727	-	-
Developer Contributions	12,450	-	20,000
TOTAL REVENUE	<u>247,682</u>	<u>28,000</u>	<u>48,862</u>
NET TRANSFER (TO)/FROM OPERATING	<u>-</u>	<u>(121,000)</u>	<u>-</u>
CHANGE IN RESERVE FUNDS	<u>247,682</u>	<u>(93,000)</u>	<u>48,862</u>
OPENING BALANCE	<u>1,037,686</u>	<u>1,037,686</u>	<u>988,824</u>
CLOSING BALANCE	<u><u>1,285,368</u></u>	<u><u>944,686</u></u>	<u><u>1,037,686</u></u>

The Notes to the Consolidated Financial Statements are an integral part of these financial statements

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004

Campbell River was incorporated in 1947 and is governed by the Community Charter and the Local Government Act, bills consented to by the Legislative Assembly of the Province of British Columbia.

GENERAL

The Notes to the Consolidated Financial Statements are an integral part of the 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District of Campbell River conform to generally accepted accounting principles as applicable to British Columbia Municipalities. The Consolidated Financial Statements have been prepared in accordance with current recommendations issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following is a summary of the District's significant policies:

Basis of Presentation

Consolidated Financial Statements - the General Revenue Fund, Airport Revenue Fund, Waterworks Revenue Fund, Sanitary Sewer Revenue Fund, Industrial Park Development Fund, Development Cost Charge Reserve Fund, General Capital Fund, Airport Capital Fund, Waterworks Capital Fund, Sanitary Sewer Capital Fund, General Reserve Fund, Park Land Reserve Fund and Facility Reserve Fund, belong to one economic entity under control of Municipal Council.

The consolidated statements include the Campbell River Economic Development Corporation. The Corporation is economically dependent on the District of Campbell River, and the District exercises control over the Corporation through ownership of the Corporation's issued share.

The consolidated financial statements reflect the removal of internal transactions and balances. The Cemetery Trust Funds administered by the District are specifically excluded from the consolidated financial statements and are reported separately.

The District 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:

- (1) **Capital Funds** - These funds are used to account for physical assets and unfunded work-in-progress offset by related long-term debt and investment in physical assets.
- (2) **General Revenue Funds** - The General Revenue Fund is the District's operating fund and is used to account for all financial resources except those required to be accounted for in another fund.
- (3) **Airport, Water, and Sewer Revenue Funds** - To account for operations that are financed and operated in a manner similar to private business operations, 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.

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 1: (cont'd)

- (4) **Reserve Funds** - To account for funds established for specific purposes with the approval of the Minister of Community Aboriginal & Women's Services. The funds are governed by By-Laws defining their purpose and are funded primarily by sales of real property, and by charges against developers.
- (5) **Industrial Park Development Fund** - To account for the costs of developing and carrying the Industrial Park and to account for sales of Industrial Park land.

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

- (1) **Revenues:** Revenues, including property taxation, water and sewer revenue, grants and transfers from other governments, are recorded in the period in which the transaction or events occurred that gave rise to the revenues.
- (2) **Deferred Revenues:** 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 Statement of Financial Position.
- (3) **Expenditures:** Expenditures are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.
- (4) **Government Transfers:** Government transfers are recognized as revenues or expenditures in the period that the events giving rise to the transfer occur.
- (5) **Deferred Payroll Costs:** 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. All are reported as accrued liabilities on the Statement of Financial Position at 100% of the current obligation. Pensions are provided by the Pension Corporation, and the District expenses its contribution to the plan annually and does not accrue any liability for future cost obligations as per Note 14 Contingent Liabilities.
- (6) **Liabilities to other Governments:** These are recorded as liabilities at the time the obligation occurs, and reported as a liability on the Statement of Financial Position.

Investments – 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 investment balances detailed in Note 2 are reported at market value on December 31, 2004.

Inventory – Inventory is expensed unless held for resale.

Land held for Resale – Lands held for resale are recorded at the lower of cost and market value.

Physical Assets - Physical assets are recorded at cost, with the exception of the January 1, 1996 Municipal Airport acquisition. 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. Physical assets are not depreciated.

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 1: (cont'd)

Long-Term Debt - Interest payments related to long-term debt obligations are recorded on an accrual basis. Actuarial adjustments are the budgeted earnings on member's principal payments made to the Municipal Finance Authority (MFA) that annually reduce a member's outstanding debt obligation. Each year, as the MFA receives principal payments from it members on an issue, it will investment these monies in a "sinking fund" to be used to retire the debt at maturity. In this regard, the MFA will annually recognize 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 existing MFA issues, this rate is 5% however for debt issues 92 and 93 launched in the spring of 2005 this rate has been set at 4%. The MFA does reserve the ability to adjust existing actuarial rates if market conditions dictate that a set earnings rate can no longer be achieved.

Financial Instruments – The District's Financial Instruments consist of cash, investments, accounts receivable, accounts payable, accrued liabilities, and long-term debt. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

Property Tax Collections for other Governments – The District is required by legislation to bill and collect property taxes on behalf of other governments. These revenues and payments are not included in the District's financial statements.

Comparative Figures - Certain previous years' comparative figures have been restated to match this year's presentation. Included in this restatement is \$383,161 of internal equipment charges and \$229,703 of inventory adjustments.

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.

NOTE 2: INVESTMENTS

	<u>2004</u>	<u>2003</u>
	\$	\$
General Capital Fund	310,674	303,620
General Revenue Fund	33,240,618	31,807,418
General Reserve Fund	701,607	479,470
Parkland Reserve Fund	328,788	309,032
Facility Reserve Fund	254,973	249,184
Development Cost Reserve Fund	<u>4,868,704</u>	<u>4,266,805</u>
	<u>39,705,364</u>	<u>37,415,529</u>

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 3: TRUST FUNDS

The District 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:

	2003				2004
	Balance	Interest	Receipts	Expenditures	Balance
	\$	\$	\$	\$	\$
Campbell River Municipal	304,806	7,098	1,666	7,098	306,472
Elk Falls Memorial	<u>106,783</u>	<u>2,558</u>	<u>7,010</u>	<u>-</u>	<u>116,351</u>
	<u>411,589</u>	<u>9,656</u>	<u>8,676</u>	<u>7,098</u>	<u>422,823</u>

NOTE 4: ACCOUNTS RECEIVABLE

	2004	2003
	\$	\$
Taxes	943,739	1,160,112
User Fees – Water and Sewer	309,873	334,225
Due from Federal Government	907,168	524,102
Due from Provincial Government	428,503	342,095
Due from Regional District and Other Govts	13,856	9,372
Airport	130,561	183,338
Development Cost Charges	297,178	141,117
Other	<u>261,929</u>	<u>324,691</u>
	<u>3,292,807</u>	<u>3,019,052</u>

NOTE 5: ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2004	2003
	\$	\$
Due to Other Governments	426,905	423,390
Trade Accounts Payable	2,792,579	2,793,175
Salaries and Wages	1,180,647	858,502
Customer Deposits and Contract Holdbacks	832,969	577,683
Prepayments	286,577	220,267
Accrued Interest	440,926	455,138
Future Insurance Claims	580,530	529,751
Future Local Improvements	361,368	314,950
Salary Vacation Accrual	223,565	376,287
Employee Sick Pay	796,565	797,300
Time Off in Lieu of Overtime	92,796	79,601
Other	<u>14,913</u>	<u>25,037</u>
	<u>8,030,340</u>	<u>7,451,081</u>

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 6: RESTRICTED ASSETS

Included in the consolidated assets are short-term investments of \$4,868,704 (2003 - \$4,266,805) and installments receivable of \$297,178 (2003 - \$141,117). These assets can only be used for expenditures as provided by the Development Cost Charges Bylaw and the relevant sections of the Local Government Act, unless otherwise authorized by the Provincial Ministry of Community, Aboriginal and Women's Services.

NOTE 7: DEFERRED REVENUE

This consists of contributions from developers collected under the Development Cost Charges Bylaw. The developer contributions will be recognized as revenue in future years when the related capital projects, for which they were collected, are completed.

	<u>Deferred Revenue</u>	<u>Deferred Payments</u>	<u>2004 \$ Total</u>	<u>2003 \$ Total</u>
Roads	4,041,617	77,411	4,119,028	3,903,740
Public Open Space	290,891	31,948	322,839	266,705
Phase I Beaver Lodge Lands	-	-	-	18,712
Water	295,904	123,690	419,594	103,337
Storm Water Drainage	104,340	-	104,340	64,777
Sanitary Sewer	94,884	46,399	141,283	35,337
Other Parks	<u>41,068</u>	<u>17,730</u>	<u>58,798</u>	<u>15,314</u>
	<u>4,868,704</u>	<u>297,178</u>	<u>5,165,882</u>	<u>4,407,922</u>

NOTE 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 municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2004 the total of the Debt Reserve Fund was comprised of:

	<u>2004 \$</u>	<u>2003 \$</u>
General Revenue	2,038,592	1,943,770
Sanitary Sewer	1,374,931	1,358,381
Waterworks Utility	<u>369,828</u>	<u>362,488</u>
	<u>3,783,351</u>	<u>3,664,639</u>

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 9: LEASES

- (a) The District has leased a fire truck from MFA Leasing Corporation at an annual cost of \$50,065, including taxes. The lease expires on July 28th, 2009, at which time the District acquires title.
- (b) **Capital Lease** - The District has entered into a lease at a value of \$3,851,896 with ICI/Windley Group for the Community Centre at an annual cost of \$490,270, including GST, until December 15th, 2012. At that time the District has the option to purchase the facility for \$1. The effective interest rate for the life of the lease agreement is determined to be 5.97%.

NOTE 10: LONG-TERM DEBT

All debt is reported at gross amount. The District 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>Water</u>	<u>Total</u>
	\$	\$	\$	\$
2005	2,285,733	1,018,334	154,876	3,458,943
2006	2,233,399	896,294	154,876	3,284,569
2007	1,995,164	896,294	154,876	3,046,334
2008	1,420,638	669,706	119,257	2,209,601
2009	1,083,349	669,706	119,257	1,872,312

NOTE 11: EXPENDITURES BY OBJECT

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
	\$	\$	\$	\$	\$
Salaries, Wages & Benefits	12,642,651	11,390,833	11,360,905	10,698,853	12,343,772
Interest & Debt Issue Expense	3,258,604	3,513,631	3,754,186	4,161,665	4,435,388
Operating Expenditures	11,719,581	12,791,426	11,871,662	11,163,207	8,252,866
Transfer Payments to Other Govts	1,004,147	1,002,917	998,248	980,315	968,032
Purchase of Physical Assets	<u>10,460,829</u>	<u>8,052,998</u>	<u>3,523,246</u>	<u>5,299,405</u>	<u>5,538,785</u>
	<u>39,085,812</u>	<u>36,751,805</u>	<u>31,508,247</u>	<u>32,303,445</u>	<u>31,538,843</u>

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 12: DEVELOPMENT COST FUNDS - OUTSTANDING COMMITMENTS

<u>By-law No.</u>	<u>Description</u>	<u>Authorized</u> \$	<u>Expended In</u> <u>2004</u> \$	<u>Balance</u> <u>Remaining</u> \$
<u>Roads</u>				
2835	Willis Road	2,400,000	21,045	1,717,943
3080	Hwy 19A Design	200,000	62,013	137,987
3114/3147	Hwy 19A Willow Point	1,596,000	-	1,596,000

NOTE 13: FACILITY RESERVE FUND – OUTSTANDING COMMITMENT

<u>By-law No.</u>	<u>Description</u>	<u>Authorized</u> \$	<u>Expended In</u> <u>2004</u> \$	<u>Balance</u> <u>Remaining</u> \$
3145	Nunns Creek Park Washroom	30,000	-	30,000

NOTE 14: CONTINGENT LIABILITIES

Museum Loan

The Campbell River & District Museum & Archives Society owes the Royal Bank \$55,142 as at December 31st, 2004. 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 municipality may assume liability for the remaining debt.

Maritime Heritage Centre Loan Guarantee

The District has made known its intention to provide assistance to the Daybreak Building Society in the form of a loan guarantee in the amount of \$600,000. The loan guarantee is for a time period of not more than five years.

Centre for Aquatic Health Sciences

The District 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. No draw has been made as of December 31, 2004.

Pension Liability

The Municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly-trusteed 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 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 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 31st, 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 District of Campbell River paid \$749,471 for employer contributions and \$579,483 for employee contributions to the plan in fiscal 2004.

DISTRICT OF CAMPBELL RIVER

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (cont'd)

NOTE 14: CONTINGENT LIABILITIES cont'd

Regional District Debt

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

Claims for Damages

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

Property Assessment Appeals

As at December 31, 2004, 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 District has made a general provision for refund of municipal taxes as the outcomes are presently indeterminable.

NOTE 15: SUBSEQUENT EVENTS

On April 4, 2005 the District of Campbell River was reincorporated as the City of Campbell River by Letters Patent.

**DISTRICT OF CAMPBELL RIVER
CONSOLIDATED SCHEDULE OF
LONG - TERM DEBT
AS AT DECEMBER 31, 2004**

BYLAW NO.	NAME OF BYLAW	DATE ISSUED	MATURING DATE	INTEREST RATE	DEBT BALANCE
				%	\$
<u>LAND ACQUISITION LOANS</u>					
<u>Chartered Banks</u>					
2477	Works Yard Land	31/05/96	31/05/06	8.07	124,400
2548	2658 S. Island Hwy	02/12/96	02/12/06	5.99	61,000
2607	2147 S. Island Hwy	09/11/97	09/11/07	5.97	114,000
					<u>299,400</u>
<u>SHORT TERM CAPITAL BORROWING</u>					
<u>Chartered Banks</u>					
3092	Tyee Spit Development	29/11/04	30/06/09	4.39	<u>728,700</u>
<u>MUNICIPAL FINANCE AUTHORITY</u>					
<u>Storm Drains Construction</u>					
2325	Issue #60	12/04/95	12/04/05	8.660	43,908
2459	Issue #63	01/06/96	01/06/06	7.750	102,823
2468	Issue #64	25/09/96	25/09/06	7.421	46,716
2571	Issue #65	24/04/97	24/04/07	6.900	204,198
2672	Issue #68	24/03/98	24/03/08	5.550	272,775
2735	Issue #70	24/03/99	01/06/09	5.490	409,862
2805	Issue #72	27/03/00	27/03/10	6.450	667,185
2880	Issue #74	11/04/01	01/06/11	5.930	7,494
2958	Issue #78	03/10/02	03/12/12	5.370	37,666
3011	Issue #79	07/04/03	03/06/13	5.491	29,456
					<u>1,822,083</u>

**DISTRICT OF CAMPBELL RIVER
CONSOLIDATED SCHEDULE OF
LONG - TERM DEBT
AS AT DECEMBER 31, 2004**

BYLAW NO.	NAME OF BYLAW	DATE ISSUED	MATURING DATE	INTEREST RATE	DEBT BALANCE
				%	\$
<u>MUNICIPAL FINANCE AUTHORITY (cont'd)</u>					
<u>Local Improvements</u>					
2326	Issue #60	12/04/95	12/04/05	8.660	56,982
2460	Issue #63	01/06/96	01/06/06	7.750	358,795
2572	Issue #65	24/04/97	24/04/07	6.900	306,826
2673	Issue #68	24/03/98	24/03/08	5.550	915,219
2736	Issue #70	24/03/99	01/06/09	5.490	1,116,889
2806	Issue #72	27/03/00	27/03/10	6.450	2,045,596
2879	Issue #74	11/04/01	01/06/11	5.930	290,752
2932	Issue #77	09/04/02	01/06/12	6.060	696,397
3012	Issue #79	07/04/03	03/06/13	5.491	820,161
2968	Issue #81	22/04/04	22/04/14	4.150	137,000
2969	Issue #81	22/04/04	22/04/14	4.150	225,000
3050	Issue #81	22/04/04	22/04/14	4.150	78,000
3073	Issue #85	25/10/04	02/12/14	5.090	2,000,000
					<u>9,047,617</u>
<u>Other</u>					
2152	Sportsplex & Playing Fields Issue #56	19/11/93	19/11/08	8.000	1,024,875
2569	Police & Public Safety Facility Issue #65	24/04/97	24/04/07	6.900	1,904,435
2933	Cambridge Park Issue #77	09/04/02	01/06/12	6.060	<u>27,203</u>
					<u>2,956,513</u>
<u>Sanitary Sewer</u>					
2182	MFA Issue #58	10/05/94	10/05/14	7.510	5,576,508
2317	MFA Issue #60	12/04/95	12/04/05	8.660	189,323
2626	MFA Issue #66	11/05/97	11/05/07	5.850	1,005,119
2737	MFA Issue #70	24/03/99	01/06/09	5.490	1,682,061
2804	MFA Issue #72	27/03/00	27/03/10	6.450	<u>1,314,651</u>
					<u>9,767,662</u>

**DISTRICT OF CAMPBELL RIVER
CONSOLIDATED SCHEDULE OF
LONG - TERM DEBT
AS AT DECEMBER 31, 2004**

BYLAW NO.	NAME OF BYLAW	DATE ISSUED	MATURING DATE	INTEREST RATE	DEBT BALANCE
				%	\$
<u>MUNICIPAL FINANCE AUTHORITY (cont'd)</u>					
<u>Waterworks Utility</u>					
30	Greater Campbell River Waterworks District-Issue #31	30/06/82	30/06/07	6.900	328,476
2708	District of Campbell River MFA Issue #70	24/03/99	01/06/09	5.490	<u>841,030</u>
					<u>1,169,506</u>
TOTAL MUNICIPAL FINANCE AUTHORITY BORROWINGS					<u>24,763,381</u>
ACCRUED ACTUARIAL ADJUSTMENT					<u>(674,300)</u>
TOTAL LONG - TERM DEBT					<u>25,117,181</u>

STATISTICAL SECTION

Campbell River

District Municipality

1	General
<p>Incorporated in 1947, Campbell River has a total land area of 133.34 square km (2001 Census). By highway the District is 264 km north of Victoria and 44 km north of Courtenay. Campbell River is in the Comox-Strathcona Regional District.</p>	

2	Population Estimates				Age Distribution				
Annual Estimates					Age and Gender - 2001 Census				
(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
2000	29,759	-	4,039,198	-	All ages	14,120	14,335	100.0	100.0
2001	29,700	-0.2	4,078,447	1.0	0 - 14	2,900	2,820	20.1	18.1
2002	29,672	-0.1	4,115,413	0.9	15 - 24	1,980	1,875	13.5	13.2
2003	29,980	1.0	4,152,289	0.9	25 - 44	3,990	4,260	29.0	30.1
2004	30,170	0.6	4,196,383	1.1	45 - 64	3,835	3,635	26.3	25.1
					65 +	1,420	1,735	11.1	13.6

Source: BC STATS

Source: Statistics Canada

* distribution based on published totals, both sexes

3	Selected 2001 Census Characteristics						
Labour Force by Industry (NAICS)				Summary Characteristics			
	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	
All industries (Experienced LF)	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.

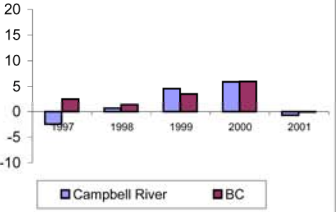
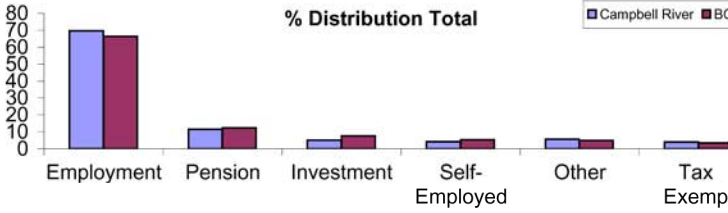
Campbell River District Municipality

4	Values of Building Permits								
Year	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	
2000	36	15,739	6,109	2,403,140	16,404	2,088,857	22,513	4,491,997	2000
2001	43	17,542	7,489	2,829,874	12,239	2,124,898	19,728	4,954,772	2001
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

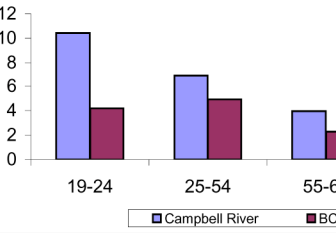
Source: Statistics Canada

Note: Detailed non-residential permits data can be found on our Website: 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								
Year	Taxable Returns (#)		Average Income (\$)		% Change avg. income			
	Campbell Riv	BC	Campbell Riv	BC	Campbell Riv	BC		
1996	17,080	1,879,340	37,689	36,961				
1997	17,160	1,898,700	36,767	37,894	-2.4	2.5		
1998	16,900	1,915,220	37,010	38,398	0.7	1.3		
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		
Source of Total Income 2001								
	Campbell Riv		BC					
	\$Thousands	% of Total	% of Total					
Employment	521,908	69.5	66.5					
Pension	86,180	11.5	12.3					
Investment	38,608	5.1	7.6					
Self-Employed	30,844	4.1	5.3					
Other	42,957	5.7	4.9					
Tax Exempt	30,031	4.0	3.4					
Total	750,538	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 2004								
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	5.2	3.2						
19-24	5.8	1.9	4.7	2.3	10.4	4.2		
25-54	3.1	1.7	3.7	3.3	6.9	4.9		
55-64	1.3	0.7	2.7	1.6	3.9	2.3		
19-64	3.1	1.5	3.7	2.9	6.8	4.4		
* Includes those receiving temporary assistance only. Excludes aboriginal people living on reserve, seniors/OAS, and children living with a relative.								

* Includes those receiving temporary assistance only. Excludes aboriginal people living on reserve, seniors/OAS, and children living with a relative.

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						
Year	Number		Year	Campbell Riv		Courtenay		BC	
	Campbell Riv	BC		Business	Consumer	Business	Consumer	Business	Consumer
2000	125	21,386	2000	16	179	10	173	976	9,181
2001	126	19,474	2001	16	191	11	152	1,100	9,474
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

Source: Ministry of Finance, B.C. Government

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

Note: Bankruptcy is counted where it is filed.

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

Bankruptcy data is available for urban areas only.

DISTRICT OF CAMBELL RIVER
Comparative Statistics

TAXABLE ASSESSMENTS FOR MUNICIPAL PURPOSES

	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
01-Residential	1,471,354,000	1,358,852,100	1,317,081,650	1,344,351,900	1,376,070,700
02-Utilities	31,688,700	31,633,000	31,981,500	32,794,200	10,228,700
04-Major Industry	116,441,000	120,375,000	119,261,000	115,310,500	113,984,000
05-Light Industry	13,819,038	15,172,438	15,470,738	16,712,438	16,400,600
06-Business/Other	257,335,750	252,937,950	280,232,050	294,211,200	308,229,650
07-Managed Forest	6,155,100	5,721,800	5,653,500	5,835,700	6,005,700
08-Rec/Non-Profit	6,775,500	6,402,400	6,071,400	5,788,200	5,336,200
09-Farm	137,100	131,200	105,700	112,500	109,500
	1,903,706,188	1,791,225,888	1,775,857,538	1,815,116,638	1,836,365,050

TAX RATES FOR RESIDENTIAL PROPERTIES (\$ per \$1000 of assessed property value)

Municipal	5.5123	5.6221	5.4547	5.0171	4.6427
Regional District	0.8657	0.8814	0.8803	0.7788	0.7974
School	4.3235	4.6060	4.7053	4.5901	4.5770
Regional Hospital	0.3958	0.4148	0.4227	0.3478	0.3220
Municipal Finance	0.0003	0.0003	0.0003	0.0003	0.0003
BC Assessment	0.1057	0.1159	0.1245	0.1267	0.1271
Total All Rates	11.2033	11.6405	11.5878	10.8608	10.4665

TAX RATES FOR OTHER PROPERTY CLASSES (\$ per \$1000 of assessed property value)

Utilities	35.2821	34.9212	33.7716	32.0082	31.5976
Major Industry	75.9254	75.0018	74.5325	74.5473	74.0524
Light Industry	28.4438	28.8931	26.7757	25.0829	24.3107
Business	28.0674	28.4987	26.3738	24.7522	23.9933
Managed Forest	22.9539	23.4248	22.9706	16.0696	15.3340
Rec/Non-Profit	10.6063	10.7970	10.6692	10.4959	11.4286
Farm	13.6797	13.3495	14.4410	13.5046	13.4751

DISTRICT OF CAMPBELL RIVER
Comparative Statistics

TAX COLLECTIONS

	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
Municipal	18,004,347	17,662,075	16,855,098	16,068,818	15,146,186
School	13,160,284	13,118,775	13,339,974	13,176,406	13,027,429
Regional District	2,974,273	2,921,082	2,870,068	2,644,695	2,682,041
Regional Hospital District	1,083,139	1,086,827	1,122,532	941,879	867,555
Library	894,147	891,735	890,195	874,757	851,398
BC Assessment Authority	328,753	348,830	382,691	398,150	398,618
Municipal Finance Authority	561	530	548	560	576
TOTAL TAXES	36,445,504	36,029,854	35,461,106	34,105,265	32,973,803

Average Residential Home Property Taxation

Residential Assessed \$ Value (1)	1,351,509,800	1,241,649,700	1,202,829,450	1,219,965,500	1,254,674,300
Residential units (# of Folios)	10,191	10,144	10,104	10,049	10,057
Average Assessment	132,618	122,402	119,045	121,402	124,756

Municipal Charges

Storm Water Parcel Tax	12	12	12	12	-
Water Parcel Tax	10	10	10	10	10
Sewer Parcel Tax	64	64	64	64	64
Garbage	107	107	107	107	107
Water User Fees	96	96	96	96	96
Sewer User Fees	222	210	198	192	192
Property Taxes	731	688	649	609	579
Subtotal	1,242	1,187	1,136	1,090	1,048

Other Governments (2)

Total Other Governments	755	737	730	709	727
Less Home Owner Grant (3)	(470)	(470)	(470)	(470)	(470)
Subtotal	285	267	260	239	257

Total Property Taxes	1,527	1,454	1,396	1,330	1,305
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(1) Includes only improved residential single family and strata titled units. Does not include vacant land, ALR, farm or other properties.

(2) Represent property taxes levied by other governments that the District is required to levy and collect.

(3) 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.

DISTRICT OF CAMPBELL RIVER
Comparative Statistics

TAXATION

	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
Total Current Year Levy(1)	42,516,303	41,937,561	41,324,115	39,671,808	38,590,209
Per Capita	1,409	1,416	1,452	1,262	1,235
Current Collections	41,980,642	41,406,357	40,614,320	38,939,752	37,767,384
Percent of Levy	98.7%	98.7%	98.3%	98.2%	97.9%
Total Collected	42,954,465	42,440,812	41,624,977	40,189,279	38,396,199
Percent of Current Levy	101.0%	101.2%	100.7%	101.3%	99.5%

UNPAID TAXES

Current	704,962	829,472	895,717	908,937	1,003,008
Arrears	205,334	293,553	380,531	373,538	369,588
Total Unpaid Taxes	910,296	1,123,025	1,276,248	1,282,475	1,372,596
Per Capita	30.17	37.92	44.85	40.80	43.92

AREAS OF MUNICIPALITY (hectares)

Land Area Subject to Taxation	14,467	13,403	13,403	13,403	13,403
Parks and Playground	116	106	106	106	106
Streets and Lanes	201	200	199	199	199
Other Lands	51	51	51	51	51
Water Areas	1,204	1,144	1,144	1,144	1,144
Total Area	16,039	14,904	14,903	14,903	14,903

SERVICES

Paved Roads	190 km	188 km	187 km	187 km	187 km
Gravel Roads	56 km	56 km	56 km	56 km	54 km
Storm Sewers	135 km	131 km	129 km	129 km	128 km
Sanitary Sewers-Mains	215 km	212 km	211 km	211 km	211 km
Water-Mains	232 km	228 km	227 km	227 km	227 km
Sanitary Sewer-Service Connections	9,647	9,494	9,403	9,467	9,494
Water-Service Connections	8,930	8,777	8,685	9,126	9,429
Hydrants(Including Private)	1,011	988	979	968	965

POPULATION	30,170	29,617	28,456	31,437	31,253
	(3)	(3)	(2)	(3)	(3)

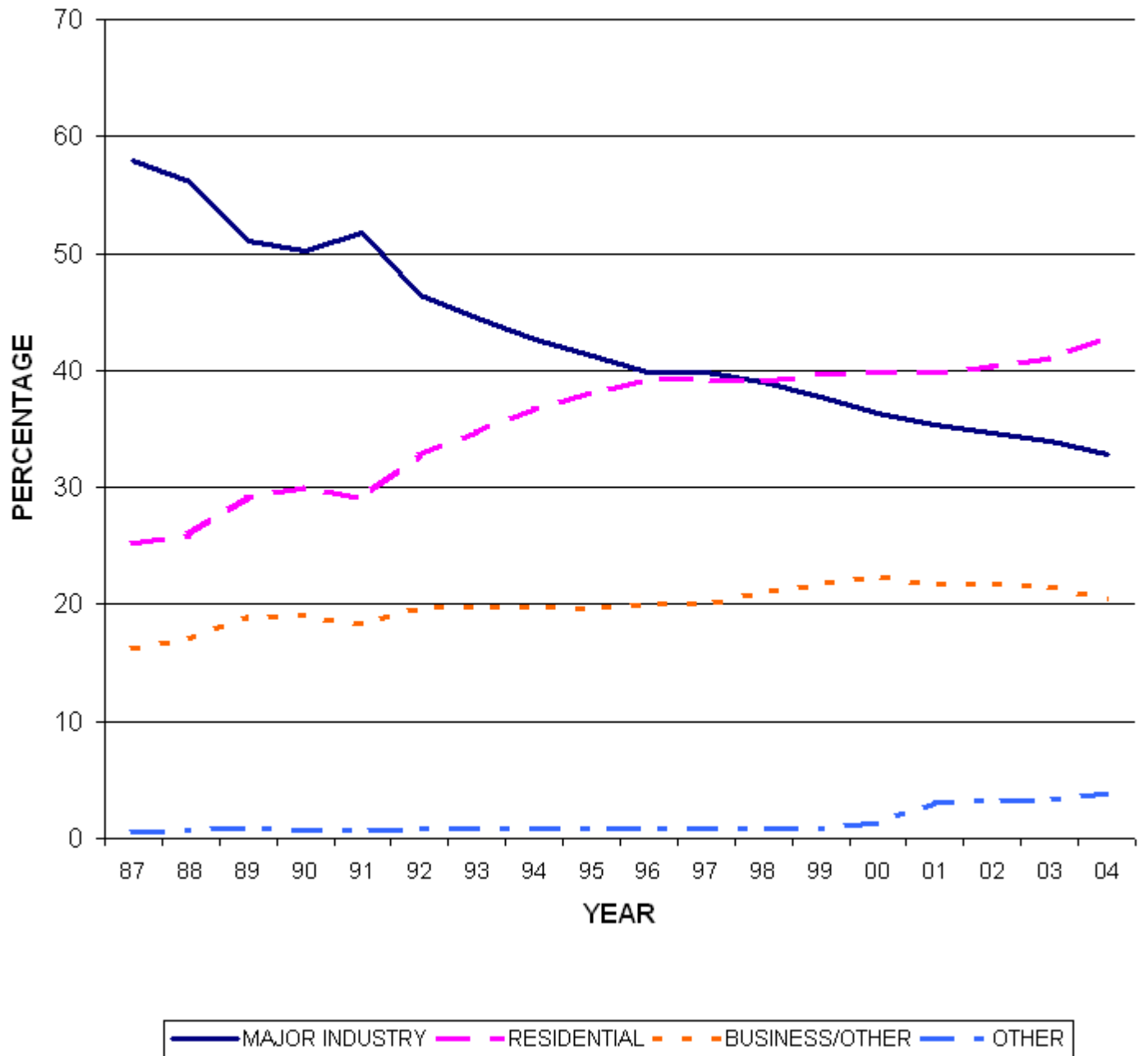
(1) Includes sewer & water user fees, garbage fee, and parcel taxes

(2) Statistics Canada 2001 Census

(3) BC Stats

DISTRICT OF CAMPBELL RIVER

MUNICIPAL TAXES AS PERCENTAGE OF TOTAL LEVY



DISTRICT OF CAMPBELL RIVER
2004 PERMISSIVE EXEMPTIONS GRANTED

<u>CIVIC ADDRESS</u>	<u>ORGANIZATION NAME</u>	<u>PROPERTY CLASS</u>	<u>MUNICIPAL COST</u> \$	<u>VALUE OF EXEMPTION</u> \$
891 - 13th Avenue	ASSOCIATION FRANCOPHONE DE CAMPBELL RIVER	6	410	716
891 - 13th Avenue	ASSOCIATION FRANCOPHONE DE CAMPBELL RIVER	1	155	288
81 Dogwood St.	C.R & DIST SENIOR HOUSING SOCIETY	1	417	775
260 Cedar St.	C.R & DIST WINTER CLUB	6	2,913	5,080
B-450-Merecroft Rd.	C.R JUDO	8	4	8
B-450-Merecroft Rd.	C.R JUDO	6	330	576
450 Merecroft Rd.	C.R YOUTH SOCCER	8	4	8
450 Merecroft Rd.	C.R YOUTH SOCCER	6	256	446
608 Alder St.	C.R. & NORTH ISLAND TRANSITION SOCIETY	1	497	922
2600 Quinsam Rd.	C.R. GUN CLUB SOCIETY	8	46	93
2600 Quinsam Rd.	C.R. GUN CLUB SOCIETY	6	96	168
900 Parkside Dr.	C.R. TRAIL RIDERS	6	339	591
900 Parkside Dr.	C.R. TRAIL RIDERS	8	391	787
1153 Greenwood St.	C.R.&DIST ASSOC FOR MENTALLY HANDICAPPED	6	3,256	5,679
1185 Greenwood St.	C.R.&DIST ASSOC FOR MENTALLY HANDICAPPED	6	1,234	2,153
Bldg #13 CR Airport	CAMPBELL RIVER AIR YOUTH ASSOC.	6	736	1,284
1048 Hemlock St.	CAMPBELL RIVER CHILD CARE SOCIETY	6	780	1,360
394 Leishman Rd.	CAMPBELL RIVER CHILD CARE SOCIETY	6	926	1,615
2641 Campbell River Rd.	CAMPBELL RIVER FISH AND WILDLIFE	8	179	360
2641 Campbell River Rd.	CAMPBELL RIVER FISH AND WILDLIFE	6	210	367
700 Petersen Rd.	CAMPBELL RIVER GOLF AND COUNTRY	6	2,961	5,164
700 Petersen Rd.	CAMPBELL RIVER GOLF AND COUNTRY	8	2,374	4,772
1981 14th Avenue.	CAMPBELL RIVER GYMNASTICS ASSOCIATION	6	1,373	2,395
B-450-Merecroft Rd.	CAMPBELL RIVER WADO KARATE CLUB	8	4	8
B-450-Merecroft Rd.	CAMPBELL RIVER WADO KARATE CLUB	6	346	604
2250 Campbell River Rd.	HAIG BROWN HOUSE	8	853	1,714
2250 Campbell River Rd.	HAIG BROWN HOUSE	6	1,056	1,842
2251/2252 Campbell River Rd.	HAIG-BROWN KINGFISHER CREEK SOCIETY	8	509	1,023
401 - 11th Avenue	JOHN HOWARD SOCIETY OF NORTH ISLAND	6	630	1,098
931 - 14th Avenue.	LEGION-J PERKINS MEMORIAL HOUSING SOCIETY	1	3,677	6,824
647 Birch St.	NORTH ISLAND SUPPORTIVE RECOVERY SOCIETY	1	330	612
170 Dogwood ST.	ST. JOHN COUNCIL FOR B.C.	6	1,677	2,925
300 McGimpsey Rd.	STOREY CREEK GOLF SOCIETY	6	3,148	5,490
300 McGimpsey Rd.	STOREY CREEK GOLF SOCIETY	8	3,541	7,120
301 - 10th Avenue.	THE CAMPBELL RIVER ALANO CLUB	6	955	1,666
911/931 - 13th Avenue	THE NAVY LEAGUE OF CANADA	8	393	790
911/931 - 13th Avenue	THE NAVY LEAGUE OF CANADA	6	529	922
2165 S. Island Hwy.	WILLOW POINT LIONS CLUB SOCIETY	6	1,096	1,911
100 - 142 Larwood Rd.	WILLOW POINT SUPPORTIVE LIVING SOCIETY	1	3,063	5,685
12 - 142 Larwood Rd.	WILLOW POINT SUPPORTIVE LIVING SOCIETY	6	2,231	3,890
			43,923	79,730

DISTRICT OF CAMPBELL RIVER
Comparative Statistics

Capital Acquisitions	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
General Government	91,440	60,791	112,071	49,308	53,262
Protective Services	90,769	96,738	81,560	53,832	54,113
Transportation Services	4,598,600	2,140,834	1,941,093	2,151,668	2,406,989
Environmental Health Services	-	-	-	-	4,973
Recreation and Cultural Services	1,539,931	2,513,909	317,822	407,546	1,988,813
Land for Specified Use	-	27,551	-	-	-
Airport	237,796	266,270	201,880	220,280	49,489
Sanitary Sewer	1,189,727	914,447	296,076	1,345,848	599,059
Waterworks	2,712,566	2,032,455	572,744	1,070,923	382,087
	10,460,829	8,052,995	3,523,246	5,299,405	5,538,785

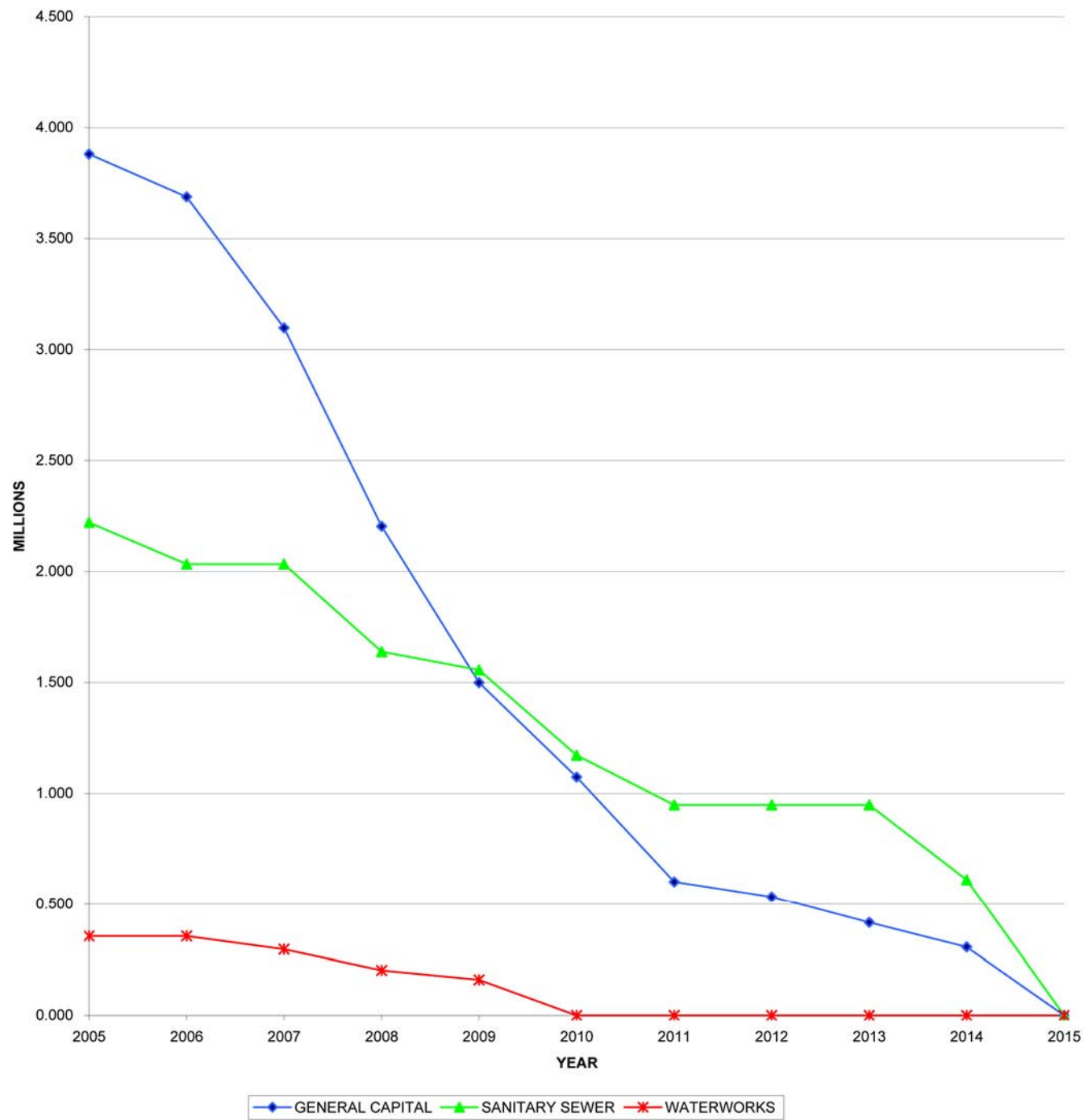
Source of Financing	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
Revenue Funds	3,769,663	2,590,959	1,236,467	2,543,509	1,129,817
Reserve Funds	110,717	61,745	601,002	90,226	300,000
Government Grants	787,734	133,632	169,453	321,289	124,014
Contributions by Developers	3,628,874	1,337,160	-	558,390	571,501
Debt	2,163,841	1,387,727	1,448,913	1,459,143	1,207,525
Donations	-	2,541,772	50,000	10,000	1,433,086
Other	-	-	17,411	316,848	772,842
	10,460,829	8,052,995	3,523,246	5,299,405	5,538,785

DISTRICT OF CAMPBELL RIVER
Comparative Statistics
Long Term Debt

	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
Debenture Debt					
Storm Drains Construction	1,822,083	2,259,772	2,662,512	3,071,431	3,573,193
Local Improvements	9,047,617	7,848,751	8,160,750	8,517,908	9,340,361
Sportsplex & Playing Fields	1,024,875	1,251,335	1,467,011	1,672,417	1,868,042
Police and Public Safety	1,904,435	2,479,771	3,027,710	3,549,557	4,046,554
Cambridge Park	27,203	29,916	32,500	-	-
Total General Capital	13,826,213	13,869,545	15,350,483	16,811,313	18,828,150
Sanitary Sewer	9,767,662	11,147,853	12,492,158	13,770,590	14,986,489
Waterworks	1,169,506	1,413,698	1,662,093	1,897,673	2,121,157
Total Debenture Debt	24,763,381	26,431,096	29,504,734	32,479,576	35,935,796
less accrued actuarial	(674,300)	(564,691)	(461,047)	(396,068)	(327,450)
Net Debenture Debt	24,089,081	25,866,405	29,043,687	32,083,508	35,608,346
Mortgage Loans	299,400	671,400	1,006,400	1,307,400	1,580,400
Short Term Capital Borrowing	728,700	98,000	276,000	167,000	344,210
TOTAL LONG TERM DEBT	25,117,181	26,635,805	30,326,087	33,557,908	37,532,956
Per Capita	833	899	1,066	1,067	1,201
Less Sewer and Water Debt	10,937,168	12,561,551	14,154,251	15,668,263	17,107,646
Net Debt Excluding Utilities	14,180,013	14,074,254	16,171,836	17,889,645	20,425,310
Per Capita	470	475	568	569	654
Borrowing Power					
Unused Borrowing Power (1)	-	71,640,223	67,573,445	64,298,674	55,630,122
Debt Payments					
Debt Principal Payments	3,828,224	3,898,235	3,525,660	3,654,513	3,255,881
Interest and Debt Issue Expenses	3,258,604	3,513,631	3,754,186	4,161,665	4,435,388
Total Debt Payments	7,086,828	7,411,866	7,279,846	7,816,178	7,691,269
Operating Expenditures (net of interest expense)	25,302,314	25,185,176	24,230,815	22,842,375	21,441,122
Debt Payments/Operating Expenditures	28.01%	29.43%	30.04%	34.22%	35.87%
Total Expenditures	42,914,036	40,650,040	35,033,907	35,957,958	34,794,724
Debt Payments/Total Expenditures	16.51%	18.23%	20.78%	21.74%	20.78%
Debt Servicing Limit					
Annual Debt Liability Servicing Limit (1)	8,320,178				
Total Servicing Cost	8,271,856				
Liability Servicing Amount Available	48,322				

(1) The calculation of unused borrowing power has changed. Effective January 1, 2004 under the Community Charter a revenue based formula is used to calculate borrowing power, or liability servicing limits. Previously, an asset based approach was used.

DISTRICT OF CAMPBELL RIVER
EXISTING DEBT CHARGE REPAYMENT



DISTRICT OF CAMPBELL RIVER

Comparative Statistics

Consolidated Sources of Operating Revenue

SOURCE	2004		2003		2002		2001		2000	
	\$	%	\$	%	\$	%	\$	%	\$	%
Taxation	20,993,186	57.62	20,658,039	56.04	19,935,175	57.95	19,134,402	55.69	18,058,577	54.81
User Fees	5,419,746	14.88	5,340,340	14.49	5,021,903	14.60	4,758,171	13.85	4,823,685	14.64
Grants in Lieu of Taxes	1,075,886	2.95	1,041,174	2.82	1,063,037	3.09	1,030,390	3.00	1,003,243	3.04
Provincial/Federal Grants										
Unconditional	523,890	1.44	195,476	0.53	247,122	0.72	237,569	0.69	176,887	0.54
Conditional	787,253	2.16	1,867,023	5.06	875,173	2.54	965,757	2.81	939,187	2.85
Services- Other Governments	619,452	1.70	1,099,841	2.98	285,681	0.83	265,357	0.77	253,219	0.77
Sales of Services	2,638,591	7.24	2,477,308	6.72	2,325,286	6.76	2,424,113	7.05	2,256,878	6.85
Investment Income	878,636	2.41	1,150,775	3.12	1,017,793	2.96	1,786,937	5.20	2,000,119	6.07
Other Revenue-Own Sources	2,364,497	6.49	2,063,201	5.60	2,399,012	6.97	2,320,078	6.75	2,205,305	6.69
Miscellaneous	1,132,238	3.11	972,811	2.64	1,230,453	3.58	1,437,647	4.18	1,230,310	3.73
TOTAL REVENUE	36,433,375	100.00	36,865,988	100.00	34,400,635	100.00	34,360,421	100.00	32,947,410	100.00

Consolidated Operating Expenditures

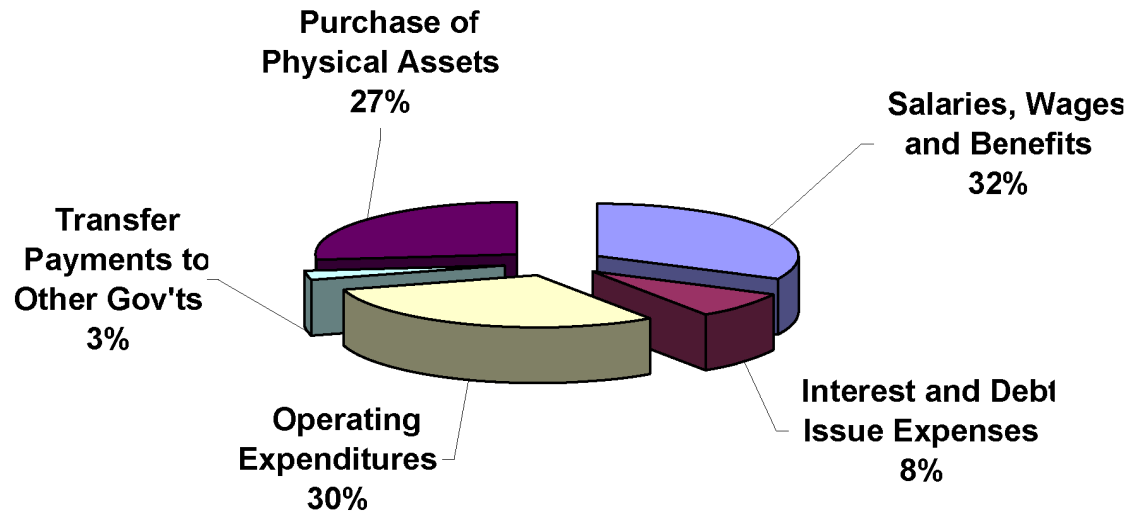
	2004		2003		2002		2001		2000	
	\$	%	\$	%	\$	%	\$	%	\$	%
General Government	3,707,733	12.98	3,430,032	11.95	3,508,781	12.57	3,361,914	12.45	3,343,024	12.92
Protective Services	9,554,709	33.45	9,626,033	33.54	9,239,827	33.09	8,560,415	31.70	8,107,709	31.33
Transportation Services	3,807,656	13.33	3,788,134	13.20	3,614,875	12.95	3,363,570	12.46	3,312,946	12.80
Environmental Health	531,998	1.86	523,355	1.82	471,592	1.69	453,998	1.68	461,397	1.78
Sewer Operations & Maintenance	1,510,897	5.29	1,294,635	4.51	1,276,524	4.57	1,530,697	5.67	1,045,326	4.04
Waterworks Operations & Maintenance	764,490	2.68	913,004	3.18	709,726	2.54	601,413	2.23	608,791	2.35
Public Health and Welfare	79,245	0.28	88,042	0.31	78,008	0.28	70,829	0.26	71,673	0.28
Environmental Development Services	804,703	2.82	917,450	3.20	965,655	3.46	869,549	3.22	951,555	3.68
Recreation & Cultural Services	3,536,736	12.38	3,601,574	12.55	3,304,050	11.83	3,049,675	11.29	2,570,669	9.93
Interest & Debt Issue Expenses	3,258,604	11.41	3,513,631	12.24	3,754,186	13.45	4,161,665	15.41	4,435,388	17.14
Unconditional Transfers to Governments	110,000	0.39	111,182	0.39	108,053	0.39	105,558	0.39	116,634	0.45
Conditional Transfers to Governments	894,147	3.13	891,735	3.11	890,195	3.19	874,757	3.24	851,398	3.29
TOTAL EXPENDITURES	28,560,918	100.00	28,698,807	100.00	27,921,472	100.00	27,004,040	100.00	25,876,510	100.00

**DISTRICT OF CAMPBELL RIVER
Comparative Statistics**

EXPENDITURES BY OBJECT

	2004		2003		2002		2001		2000	
	\$	%	\$	%	\$	%	\$	%	\$	%
Salaries, Wages and Benefits	12,642,651	32.35	11,390,833	30.99	11,360,905	36.06	10,698,853	33.12	12,343,772	39.14
Interest and Debt Issue Expenses	3,258,604	8.34	3,513,631	9.56	3,754,186	11.91	4,161,665	12.88	4,435,388	14.06
Operating Expenditures	11,719,581	29.98	12,791,426	34.80	11,871,662	37.68	11,163,207	34.56	8,252,866	26.17
Transfer Payments to Other Gov'ts	1,004,147	2.57	1,002,917	2.73	998,248	3.17	980,315	3.03	968,032	3.07
Purchase of Physical Assets	10,460,829	26.76	8,052,998	21.91	3,523,246	11.18	5,299,405	16.41	5,538,785	17.56
	39,085,812	100.00	36,751,805	100.00	31,508,247	100.00	32,303,445	100.00	31,538,843	100.00

2004 Expenditures by Object



DISTRICT OF CAMPBELL RIVER
Comparative Statistics

FINANCIAL EQUITY IN FUND BALANCES

	2004	2003	2002	2001	2000
	\$	\$	\$	\$	\$
RESERVE ACCOUNT BALANCE	5,303,589	4,788,226	3,205,329	2,950,330	2,805,065
SURPLUS					
General Fund	6,368,443	5,997,723	5,817,803	5,550,896	5,149,069
Airport Fund	1,070,397	1,191,963	1,236,563	1,345,369	1,263,152
Sanitary Sewer Fund	5,759,198	6,281,250	6,148,385	6,243,703	6,791,406
Water Fund	5,859,347	6,921,553	7,475,321	6,911,602	6,509,141
Rivercorp	13,518	15,232	(7,618)	9,509	-
	19,070,903	20,407,721	20,670,454	20,061,079	19,712,768
CAPITAL FUNDS					
General Capital	4,719,167	3,086,286	1,779,427	1,524,652	1,259,068
Airport	-	-	-	-	141,600
Sanitary Sewer	594,797	582,409	1,099,317	1,160,063	1,477,756
Water	244,723	578,973	629,448	789,523	1,053,355
Industrial Park	619,359	683,424	683,424	683,424	683,424
	6,178,046	4,931,092	4,191,616	4,157,662	4,615,203
RESERVE FUND BALANCES					
Facility	254,973	249,184	242,124	186,514	129,672
Parkland	328,788	309,032	280,815	266,663	255,017
General	701,607	479,470	465,885	454,276	426,415
	1,285,368	1,037,686	988,824	907,453	811,104
TOTAL	31,837,906	31,164,725	29,056,223	28,076,524	27,944,140

DISTRICT OF CAMPBELL RIVER

MAJOR PROPERTY TAXPAYERS

2004 TAXATION YEAR

<u>REGISTERED OWNER</u>	<u>TAXES</u>	<u>PRIMARY PROPERTY</u>
	\$	
1. Elk Falls Pulp and Paper Ltd.	9,133,292	Pulp Mill
2. B.C. Hydro & Power Authority	1,120,650	John Hart Dam
3. Discovery Harbour Holdings Ltd.	618,221	Discovery Harbour Mall
4. B.C. Hydro & Power Authority	601,005	Ladore Dam
5. Timberwest Forest IV Limited	497,409	Sawmill
6. Raven Forest Products Ltd.	206,188	Merecroft Village Mall
7. Tyee Plaza Development Inc.	196,651	Tyee Plaza
8. Knockmaroon Holdings Ltd.	196,365	Save-On-More Plaza
9. Elk Falls Pulp and Paper Ltd.	177,166	Water Intake/Pumphouse
10. Oak Bay Marina Ltd.	166,663	Painter's Lodge