

CITY OF PARKSVILLE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

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CITY OF PARKSVILLE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

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AUDITORS' REPORT

To the Mayor and Council of the
City of Parksville

We have audited the statement of financial position of the City of Parksville as at December 31, 2007 and the statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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 financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles for British Columbia municipalities.



CHARTERED ACCOUNTANTS

Parksville, Canada
March 10, 2008

CITY OF PARKSVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007

	<u>2007</u>	<u>2006</u>
STATEMENT A		
FINANCIAL ASSETS		
Cash	\$ 7,501,602	\$ 837,642
Investments	17,380,110	21,691,290
Accounts receivable (note 2)	1,642,084	1,473,471
	<u>26,523,796</u>	<u>24,002,403</u>
FINANCIAL LIABILITIES		
Accounts payable (note 3)	1,424,850	1,827,068
Deferred revenue	23,384	36,889
Performance bonds and deposits	4,479,320	3,215,280
Employee benefit accrual	441,000	484,697
Deferred revenue - capital (note 4)	6,649,516	5,720,632
Long term debt (note 5)	4,849,154	5,015,641
	<u>17,867,224</u>	<u>16,300,207</u>
NET FINANCIAL ASSETS	<u>8,656,572</u>	<u>7,702,196</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	45,712	36,077
Tangible capital assets (note 6)	71,096,855	65,476,550
	<u>71,142,567</u>	<u>65,512,627</u>
NET POSITION	<u>\$ 79,799,139</u>	<u>\$ 73,214,823</u>
MUNICIPAL POSITION (note 7)		
Financial equity		
Appropriated	\$ 9,400,606	\$ 8,200,114
Current fund	4,219,656	4,626,672
	13,620,262	12,826,786
Equity in tangible capital assets	66,178,877	60,388,037
	<u>\$ 79,799,139</u>	<u>\$ 73,214,823</u>

Contingent liabilities (note 8)
MFA Debt Reserve Fund (note 9)


G. Lucky Butterworth, CGA
Director of Finance

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

STATEMENT B

	Budget	2007	2006
REVENUE			
Taxation	\$ 8,656,701	\$ 8,593,369	\$ 7,867,529
Grants-in-lieu of taxes	32,300	32,403	31,305
Water and sewer rates	2,573,718	2,565,949	2,455,407
Services provided to other governments	361,700	341,161	280,605
Sale of services	491,000	526,655	478,500
Other revenue from own sources	1,460,037	2,414,033	2,166,825
Government transfers	1,678,267	1,268,704	1,178,423
Proceeds on sale of tangible capital assets	-	49,500	2,241,003
Developer contribution	38,000	135,021	111,201
Transfer from deferred revenue	2,357,034	1,396,512	997,345
Debenture debt surplus repayment	300,000	226,443	92,373
Collection for other governments	9,203,280	9,344,803	8,965,426
	<u>27,152,037</u>	<u>26,894,553</u>	<u>26,865,942</u>
EXPENDITURE			
General government services	1,836,789	1,519,207	1,442,680
Protective services	2,831,180	2,652,650	2,199,567
Transportation services	7,550,373	4,636,710	5,364,529
Planning	959,028	856,934	889,258
Environmental health services	462,000	471,568	433,962
Recreation and cultural services	3,027,864	2,115,144	1,964,059
Water services	4,210,574	3,391,016	2,861,366
Sewer services	3,877,517	3,064,598	2,808,751
Transmission of taxes	7,178,280	7,320,276	6,987,672
	<u>31,933,605</u>	<u>26,028,103</u>	<u>24,951,844</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(4,781,568)	866,450	1,914,098
Debt financing	300,000	240,000	37,251
Debt principal repayment	(237,974)	(312,974)	(1,663,363)
CHANGE IN CONSOLIDATED FINANCIAL EQUITY	<u>\$ (4,719,542)</u>	<u>793,476</u>	<u>287,986</u>
FINANCIAL EQUITY AT BEGINNING OF YEAR		<u>12,826,786</u>	<u>12,538,800</u>
FINANCIAL EQUITY AT END OF YEAR		<u>\$ 13,620,262</u>	<u>\$ 12,826,786</u>

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2007

STATEMENT C

	2007	2006
CASH PROVIDED BY (USED FOR) OPERATIONS		
Change in equity	\$ 6,584,316	\$ 6,748,923
Cost of tangible capital assets disposed of	153,135	1,357,846
Accounts receivable	(168,613)	1,240,706
Prepaid expenses	(9,635)	(27,072)
Accounts payable	(402,218)	(56,052)
Deferred revenue	(13,505)	24,907
Performance bonds and deposits	1,264,040	(92,651)
Employee benefits accrual	(43,697)	47,273
	7,363,823	9,243,880
 CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		
Increase in deferred revenue - capital	928,884	606,023
Long term debt proceeds (repayment)	(166,487)	(387,972)
	762,397	218,051
 CASH USED FOR INVESTING ACTIVITIES		
Purchase of tangible capital assets	(5,773,440)	(6,116,944)
 INCREASE IN CASH AND EQUIVALENTS	2,352,780	3,344,987
 CASH AND EQUIVALENTS AT BEGINNING OF YEAR	22,528,932	19,183,945
 CASH AND EQUIVALENTS AT END OF YEAR	\$ 24,881,712	\$ 22,528,932
 CASH AND EQUIVALENTS CONSISTS OF:		
Cash	\$ 7,501,602	\$ 837,642
Investments	17,380,110	21,691,290
	\$ 24,881,712	\$ 22,528,932

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

The City of Parksville operates under the authority of the Local Government Act. The financial statements of the City are divided into seven funds: general capital fund, general revenue fund, sewer capital fund, sewer revenue fund, water capital fund, water revenue fund and a reserve fund. These funds are combined for consolidated financial statement purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

Consolidated financial statements have been prepared in accordance with the recommendations of the Public Sector Accounting and Auditing Board (PSAAB) of the Canadian Institute of Chartered Accountants. The consolidated statement of financial position includes all assets and liabilities of the City.

b) Financial assets

Financial assets are those assets which will provide resources to discharge existing liabilities and finance future operations.

c) Investments

Investments are recorded at cost which is equal to fair market value.

d) Inventories

The City maintains a minimal level of parts and supplies on hand. Consequently, inventory is not recorded and spare parts and supplies are expensed when purchased.

e) Tangible capital assets

Tangible capital assets are recorded at cost in the capital funds. Amortization is not recorded.

f) Principals of consolidation

These financial statements include amounts of all funds of the City. Inter-fund transactions and balances have been eliminated.

g) Revenue recognition

Except as noted below, the basis of accounting followed in the financial statement presentation is the accrual basis and includes revenue in the period in which the transactions or events occurred that gave rise to the revenue; and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue recognition (continued)

Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the City discharges the obligations that led to the collection of funds.

Revenue or receipts which are subject to external restrictions are deferred and reported as deferred revenue capital. When qualifying expenditures are incurred, restricted revenue is brought into revenue in order to fund the expenditures.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Actual results may differ from these estimates.

2. ACCOUNTS RECEIVABLE

	<u>2007</u>	<u>2006</u>
Property taxes and utilities receivable	\$ 282,449	\$ 347,175
Accrued utilities receivable	738,500	668,500
Receivable from provincial government	141,283	160,993
Receivable from federal government	104,130	131,856
Trade accounts receivable	306,177	95,375
Accrued interest receivable	69,545	69,572
	<u>\$ 1,642,084</u>	<u>\$ 1,473,471</u>

3. ACCOUNTS PAYABLE

	<u>2007</u>	<u>2006</u>
Payable to federal government	\$ 432,359	\$ 332,319
Payable to provincial government	19,132	53,044
Payable to other government agencies	164,908	111,799
Trade accounts payable	697,002	1,245,514
Accrued Payroll	111,449	84,392
	<u>\$ 1,424,850</u>	<u>\$ 1,827,068</u>

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

4. DEFERRED REVENUE - CAPITAL (Development Cost Charges)

	<u>2007</u>	<u>2006</u>
Balance at beginning of year	\$ 5,720,632	\$ 5,114,609
Contributions from developers	2,066,986	1,396,966
Interest	258,410	206,402
Transfer to revenue	<u>(1,396,512)</u>	<u>(997,345)</u>
Balance at end of year	<u>\$ 6,649,516</u>	<u>\$ 5,720,632</u>

Deferred revenue - capital includes statutory reserves set up for capital purposes by bylaw under the authority of the Community Charter which are required to be spent for the purposes specified in the Community Charter.

5. LONG TERM DEBT

General Fund

Debenture Debt

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2007</u>	<u>2006</u>
Parksville Civic and Technology Centre	Dec. 2021	5.69%	\$ 834,007	\$ 874,535
Parksville Civic and Technology Centre	Dec. 2021	5.69%	637,161	665,283
Northwest Bay Road local improvement	Apr. 2025	5.10%	<u>736,885</u>	<u>768,840</u>
			2,208,053	2,308,658

Five Year Capital Borrowing

Fire fighting equipment	<u>-</u>	<u>70,000</u>
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General fund total debt	<u>\$ 2,208,053</u>	<u>\$ 2,378,658</u>
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CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

5. LONG TERM DEBT (continued)

Water Fund

Debenture Debt

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>2007</u>	<u>2006</u>
Water	Oct. 2007	10.9%	\$ -	\$ 31,557
Water	June 2008	12.3%	25,368	47,943
Water	June 2008	12.3%	32,494	61,409
Water	Mar. 2018	5.55%	799,834	853,452
Water	Sep. 2018	5.55%	1,313,060	1,401,084
Water	June 2021	5.55%	230,345	241,538
			2,401,101	2,636,983
<u>Five Year Capital Borrowing</u>				
Springwood reservoir roof			240,000	-
Water Fund total debt			2,641,101	2,636,983
Total long term debt			\$ 4,849,154	\$ 5,015,641

Principal due over the next five years on long term debt is as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
2008	\$ 87,660	\$ 222,501	\$ 310,161
2009	88,496	164,639	253,135
2010	89,353	164,639	253,992
2011	90,231	164,639	254,870
2012	91,133	104,639	195,772
	\$ 446,873	\$ 821,057	\$ 1,267,930

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

6. TANGIBLE CAPITAL ASSETS

	<u>2007</u>	<u>2006</u>
Engineering structures	\$ 52,821,382	\$ 47,507,928
Buildings	7,093,208	7,088,001
Machinery and equipment	6,112,422	5,813,307
Land	<u>5,069,843</u>	<u>5,067,314</u>
	<u>\$ 71,096,855</u>	<u>\$ 65,476,550</u>

Effective the fiscal year beginning January 1, 2009 local governments will be required to provide financial information regarding the cost and usage of the local government's tangible capital assets. This is a significant change in reporting for the City which will require resources to be ready for compliance with the new reporting standard. As of the end of 2007, the City has provided resources to begin the process for compliance and has prepared a draft policy for capitalization and amortization and is in the process of identifying the City's existing tangible capital assets.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

7. MUNICIPAL POSITION

	<u>2007</u>	<u>2006</u>
Appropriated financial equity		
General Revenue Fund reserves	\$ 3,539,754	\$ 3,195,983
Water Revenue Fund reserves	1,129,450	597,739
Sewer Revenue Fund reserves	1,076,012	1,118,508
Equity in Arrowsmith Water Services Joint Venture reserves	45,155	25,985
	<u>5,790,371</u>	<u>4,938,215</u>
Federal Gas Tax Reserve Fund	42,588	227,794
Statutory Reserve Funds	3,567,647	3,034,105
	<u>9,400,606</u>	<u>8,200,114</u>
Current fund financial equity		
General Revenue Fund	2,043,574	1,882,503
Water Revenue Fund	476,009	984,205
Sewer Revenue Fund	1,700,073	1,759,964
	<u>4,219,656</u>	<u>4,626,672</u>
Equity in tangible capital assets		
General Capital Fund	41,958,130	38,876,953
Water Capital Fund	15,595,214	13,401,196
Sewer Capital Fund	8,625,533	8,109,888
	<u>66,178,877</u>	<u>60,388,037</u>
	<u>\$ 79,799,139</u>	<u>\$ 73,214,823</u>

The appropriated financial equity represents reserves to be used to fund specified future expenditures, as authorized by Council. It includes both statutory reserves set up by bylaw under the authority of the Community Charter and reserve accounts, for which Council is not restricted by external parties in providing for the use of funds.

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

	<u>2007</u>	<u>2006</u>
Opening balance of Federal Gas Tax Reserve	\$ 227,793	\$ 111,140
Add: Funding received during the year	147,033	111,072
Interest earned	4,674	5,581
Less: Amount applied to eligible capital projects	<u>(336,913)</u>	<u>-</u>
Closing balance of Federal Gas Tax Reserve	<u>\$ 42,587</u>	<u>\$ 227,793</u>

The current fund financial equity represents the net operating equity of the City.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

8. CONTINGENT LIABILITIES

- a) The City is responsible, as a member of the Regional District of Nanaimo and the Nanaimo Regional Hospital District, for its proportion of any operating deficits or capital debt related to functions in which it participates.
- b) The City has issued demand notes to the Regional District of Nanaimo totalling \$225,539. These notes are callable only if required by the Regional District.
- c) The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has approximately 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as of December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The City of Parksville paid \$274,094 for employer contributions to the plan in fiscal 2007.

- d) Other contingent liabilities consisting of routine claims will be accounted for as an expense in the period in which the costs are incurred. It is not possible to determine the City's liability, if any, with respect to these other matters.

9. MFA DEBT RESERVE FUND

The Municipal Finance Authority requires the City to establish a reserve fund equal to one half the annual instalment of principal and interest of debentures issued. The cash portion of the fund is equal to one percent of the total principal with the remainder to be covered by a non-interest bearing promissory note. The balance of the MFA debt reserve fund is as follows:

	2007	2006
Cash	\$ 122,708	\$ 157,832
Demand note	225,539	254,949
	\$ 348,247	\$ 412,781

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2007

10. EXPENDITURES BY OBJECT

<u>Expenditure Object</u>	<u>2007</u>	<u>2006</u>
Wages and benefits	\$ 4,781,387	\$ 4,213,659
Consulting and contract services	8,827,179	8,011,073
Materials and supplies	1,530,074	1,537,449
Office and insurance	506,905	504,959
Debt servicing	713,422	720,874
Grants	585,662	477,015
	<u>\$ 16,944,629</u>	<u>\$ 15,465,029</u>

11. COMPARATIVE FIGURES

Certain 2006 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

CITY OF PARKSVILLE
GENERAL CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007

SCHEDULE 1

	2007	2006
ASSETS		
RECEIVABLE FROM GENERAL REVENUE FUND	\$ 165,931	\$ 73,122
TANGIBLE CAPITAL ASSETS		
Engineering structures	26,812,075	24,151,022
Buildings	7,093,208	7,088,001
Machinery and equipment	5,468,821	5,231,086
Land	4,860,903	4,858,374
	44,235,007	41,328,483
	\$ 44,400,938	\$ 41,401,605
LIABILITIES AND EQUITY		
LONG TERM DEBT (note 5)	\$ 2,208,053	\$ 2,378,658
EQUITY		
Tangible capital assets	41,958,130	38,876,953
Appropriated financial equity	234,755	145,994
	42,192,885	39,022,947
	\$ 44,400,938	\$ 41,401,605

**CITY OF PARKSVILLE
GENERAL CAPITAL FUND
STATEMENT OF EQUITY IN TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2007**

SCHEDULE 2

	<u>2007</u>	<u>2006</u>
BALANCE AT BEGINNING OF YEAR	\$ 39,022,947	\$ 34,775,818
Add:		
Contributions from general revenue	2,110,354	2,127,802
Transfers from Equipment Replacement Reserve Fund	144,858	306,575
Proceeds on disposal of tangible capital assets	49,500	48,000
Transfer from Land Sale Reserve Fund	5,206	498,848
Transfer from Storm Sewer DCC Reserve Fund	14,280	174,496
Transfer from Roads DCC Reserve Fund	548,324	443,897
Provincial grants	164,409	402,942
Developers contributions	-	80,000
Debenture debt surplus (deficit) repayment	105,295	(5,628)
Interest earned	6,196	10,385
Debt retirement from:		
Operations	156,845	156,051
Actuarial additions	13,759	10,490
Transfer from Land Sale Reserve Fund	-	1,347,069
NorthWest Bay Road	4,048	4,048
Less:		
Cost of tangible capital assets sold	<u>(153,136)</u>	<u>(1,357,846)</u>
BALANCE AT END OF YEAR	<u>\$ 42,192,885</u>	<u>\$ 39,022,947</u>

**CITY OF PARKSVILLE
GENERAL REVENUE FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

SCHEDULE 3

	2007	2006
ASSETS		
CASH	\$ 7,501,602	\$ 837,642
INVESTMENTS	17,380,110	21,691,290
ACCOUNTS RECEIVABLE		
Property taxes and utilities	282,449	347,175
Accrued utilities receivable	738,500	668,500
Receivable from provincial government	141,283	160,993
Receivable from federal government	104,130	131,856
Trade accounts receivable	283,377	66,575
Accrued interest receivable	69,545	69,572
	1,619,284	1,444,671
PREPAID EXPENSES	45,712	36,077
MFA DEBT RESERVE FUND	116,633	115,272
	\$ 26,663,341	\$ 24,124,952
LIABILITIES AND EQUITY		
ACCOUNTS PAYABLE		
Payable to federal government	\$ 432,359	\$ 332,319
Payable to provincial government	19,132	53,044
Payable to other government agencies	210,062	137,784
Trade accounts payable	697,003	1,245,514
Accrued payroll	111,449	84,393
Employee benefits accrual	441,000	484,697
Payable to own funds and reserves	14,549,671	13,341,274
	16,460,676	15,679,025
OTHER LIABILITIES		
MFA Debt Reserve Fund	116,633	115,272
Deferred revenue	23,384	36,889
Deposits	4,479,320	3,215,280
	4,619,337	3,367,441
RESERVE FOR FUTURE EXPENDITURES	3,539,754	3,195,983
FINANCIAL EQUITY		
Balance at beginning of year	1,882,503	868,527
Current year change in financial equity	161,071	1,013,976
	2,043,574	1,882,503
	\$ 26,663,341	\$ 24,124,952

CITY OF PARKSVILLE
GENERAL REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2007

SCHEDULE 4

	Budget	2007	2006
REVENUE (Schedule 14)			
Taxation	\$ 8,656,701	\$ 8,593,369	\$ 7,867,529
Grants in lieu of taxes	32,300	32,403	31,305
Services provided to other governments	361,700	341,161	280,605
Sale of services	491,000	526,655	478,500
Other revenue from own sources	1,137,037	1,623,361	1,386,595
Government transfers	607,000	701,004	602,746
Transfers from own funds and reserves	2,467,580	1,617,570	2,017,842
Collections for other governments	9,203,280	9,344,804	8,965,426
	<u>22,956,598</u>	<u>22,780,327</u>	<u>21,630,548</u>
 EXPENDITURES (Schedule 15)			
General government services	1,652,789	1,496,580	1,342,496
Protection services	2,613,887	2,555,263	2,129,927
Transportation services	1,886,659	1,627,629	1,349,273
Planning and environmental development	959,028	873,679	889,258
Environmental health services	462,000	471,568	433,962
Recreation and cultural services	1,851,002	1,884,275	1,638,200
Fiscal services	13,994,717	13,710,262	12,833,456
	<u>23,420,082</u>	<u>22,619,256</u>	<u>20,616,572</u>
 INCREASE (DECREASE) IN FINANCIAL EQUITY	<u>\$ (463,484)</u>	<u>\$ 161,071</u>	<u>\$ 1,013,976</u>

**CITY OF PARKSVILLE
WATER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

SCHEDULE 5

ASSETS	<u>2007</u>	<u>2006</u>
RECEIVABLE FROM GENERAL REVENUE FUND	\$ 221,500	\$ 126,165
TANGIBLE CAPITAL ASSETS		
Engineering structures	17,490,196	15,342,249
Machinery and equipment	537,179	486,990
Land	208,940	208,940
	<u>18,236,315</u>	<u>16,038,179</u>
	<u>\$ 18,457,815</u>	<u>\$ 16,164,344</u>
LIABILITIES AND EQUITY		
LONG TERM DEBT (note 5)	\$ 2,641,101	\$ 2,636,983
EQUITY		
Tangible capital assets	15,595,214	13,401,196
Appropriated financial equity	221,500	126,165
	<u>15,816,714</u>	<u>13,527,361</u>
	<u>\$ 18,457,815</u>	<u>\$ 16,164,344</u>

**CITY OF PARKSVILLE
WATER CAPITAL FUND
STATEMENT OF EQUITY IN TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2007**

SCHEDULE 6

	2007	2006
BALANCE AT BEGINNING OF YEAR	\$ 13,527,361	\$ 11,656,211
Add: Capital additions from:		
Water Revenue Fund	638,695	1,211,299
Grants	218,400	2,500
Developer contributions	11,000	31,201
Community Works Fund (gas tax)	336,913	-
Water Development Cost Charges Reserve Fund	753,128	303,952
Debt retirement from:		
Water Revenue Fund	81,129	85,244
Water Development Cost Charges Reserve Fund	75,000	75,000
Actuarial earnings	79,753	61,188
Debenture debt surplus received	87,284	91,541
Interest earned	8,051	9,225
BALANCE AT END OF YEAR	\$ 15,816,714	\$ 13,527,361

**CITY OF PARKSVILLE
WATER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007**

SCHEDULE 7

	2007	2006
ASSETS		
ACCOUNTS RECEIVABLE		
Regional District of Nanaimo	\$ 22,800	\$ 28,800
Receivable from General Revenue Fund	1,582,659	1,553,144
	1,605,459	1,581,944
 MFA DEBT RESERVE FUND	 231,615	 297,509
	\$ 1,837,074	\$ 1,879,453
LIABILITIES AND EQUITY		
RESERVES		
MFA Debt Reserve Fund	\$ 231,615	\$ 297,509
Reserve for future expenditures	1,129,450	597,739
	1,361,065	895,248
 FINANCIAL EQUITY		
Balance at beginning of year	984,205	860,840
Current year change in financial equity	(508,196)	123,365
	476,009	984,205
	\$ 1,837,074	\$ 1,879,453

**CITY OF PARKSVILLE
WATER REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
AS AT DECEMBER 31, 2007**

SCHEDULE 8

	Budget	2007	2006
REVENUE			
SALE OF SERVICES			
Water user rates	\$ 1,789,918	\$ 1,745,941	\$ 1,639,958
Connection fees and service charges	11,200	27,768	59,642
	<u>1,801,118</u>	<u>1,773,709</u>	<u>1,699,600</u>
OTHER REVENUE			
Parcel taxes	71,478	67,200	65,136
Hydrant maintenance	60,557	26,030	24,735
Provincial grants	37,858	37,858	59,164
Interest income	50,000	63,496	75,582
	<u>219,893</u>	<u>194,584</u>	<u>224,617</u>
TRANSFERS FROM OWN RESERVES			
Carry-forward Reserve	436,000	276,675	871,615
	<u>2,457,011</u>	<u>2,244,968</u>	<u>2,795,832</u>
EXPENDITURES			
WATER SUPPLY			
Administration	424,626	410,615	387,715
Purification and treatment	83,810	54,533	33,977
Service of supply	505,821	361,450	406,823
Transmission and distribution	201,916	178,096	139,463
Pumping	9,297	7,183	1,174
Customer billing and collection	7,722	9,181	7,222
	<u>1,233,192</u>	<u>1,021,058</u>	<u>976,374</u>
FISCAL SERVICES			
Debt charges	359,607	285,025	313,454
Transfer to Water Capital Fund	1,328,194	638,695	1,211,299
Transfer to Carry-forward Reserve	-	808,386	171,340
	<u>1,687,801</u>	<u>1,732,106</u>	<u>1,696,093</u>
	<u>2,920,993</u>	<u>2,753,164</u>	<u>2,672,467</u>
INCREASE (DECREASE) IN FINANCIAL EQUITY	<u>\$ (463,982)</u>	<u>\$ (508,196)</u>	<u>\$ 123,365</u>

CITY OF PARKSVILLE
SEWER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007

SCHEDULE 9

	2007	2006
ASSETS		
RECEIVABLE FROM GENERAL REVENUE FUND	\$ 597,047	\$ 539,211
TANGIBLE CAPITAL ASSETS		
Engineering structures	8,519,112	8,014,657
Machinery and equipment	106,421	95,231
	8,625,533	8,109,888
	\$ 9,222,580	\$ 8,649,099
LIABILITIES AND EQUITY		
EQUITY		
Tangible capital assets	\$ 8,625,533	\$ 8,109,888
Appropriated financial equity	597,047	539,211
	\$ 9,222,580	\$ 8,649,099

CITY OF PARKSVILLE
SEWER CAPITAL FUND
STATEMENT OF EQUITY IN TANGIBLE CAPITAL ASSETS
AS AT DECEMBER 31, 2007

SCHEDULE 10

	2007	2006
BALANCE AT BEGINNING OF YEAR	\$ 8,649,099	\$ 8,301,055
Add: Capital additions from:		
Sewer Revenue Fund	509,865	321,181
Water Development Cost Charges		
Reserve Fund	5,780	-
Debenture debt surplus received	33,864	6,460
Interest earned	23,972	20,403
BALANCE AT END OF YEAR	\$ 9,222,580	\$ 8,649,099

CITY OF PARKSVILLE
SEWER CAPITAL FUND
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2007

SCHEDULE 11

	2007	2006
ASSETS		
RECEIVABLE FROM GENERAL REVENUE FUND	\$ 2,776,085	\$ 2,878,472
LIABILITIES AND EQUITY		
RESERVES		
Reserve for future expenditures	\$ 1,076,012	\$ 1,118,508
FINANCIAL EQUITY		
Balance at beginning of year	1,759,964	1,687,035
Current year change in financial equity	(59,891)	72,929
	1,700,073	1,759,964
	\$ 2,776,085	\$ 2,878,472

**CITY OF PARKSVILLE
SEWER REVENUE FUND
STATEMENT OF FINANCIAL ACTIVITIES
AS AT DECEMBER 31, 2007**

SCHEDULE 12

	<u>Budget</u>	<u>2007</u>	<u>2006</u>
REVENUE			
SALE OF SERVICES			
Sewer user rates	\$ 763,600	\$ 782,340	\$ 741,301
Connection fees and service charges	9,000	9,900	14,507
	<u>772,600</u>	<u>792,240</u>	<u>755,808</u>
OTHER REVENUE			
Parcel taxes	24,890	26,030	24,366
Sewerage levy transferred from General Revenue Fund	2,020,000	2,021,526	1,976,551
Interest income	85,000	121,200	106,600
	<u>2,129,890</u>	<u>2,168,756</u>	<u>2,107,517</u>
TRANSFERS FROM OWN RESERVES			
Carry-forward Reserve	488,600	416,840	314,125
	<u>3,391,090</u>	<u>3,377,836</u>	<u>3,177,450</u>
EXPENDITURES			
SEWAGE COLLECTION AND DISPOSAL			
Administration	401,491	396,658	358,873
Collection system	194,818	75,874	80,995
Lift stations	48,031	50,729	63,930
Treatment and disposal	2,020,000	2,021,526	1,976,551
Billing and collection	7,500	8,731	7,222
	<u>2,671,840</u>	<u>2,553,518</u>	<u>2,487,571</u>
FISCAL SERVICES			
Transfer to Sewer Capital Fund	1,092,246	509,865	321,181
Transfer to Carry-forward Reserve	-	374,344	295,769
	<u>1,092,246</u>	<u>884,209</u>	<u>616,950</u>
	<u>3,764,086</u>	<u>3,437,727</u>	<u>3,104,521</u>
INCREASE (DECREASE) IN FINANCIAL EQUITY	<u>\$ (372,996)</u>	<u>\$ (59,891)</u>	<u>\$ 72,929</u>

CITY OF PARKSVILLE
STATEMENT OF RESERVE FUND ACTIVITIES
AS AT DECEMBER 31, 2007

SCHEDULE 13

	2007										2006
	Deferred Revenue - Capital					Other					
	Public Open Space	Water	Sanitary Sewer	Storm Sewer	Roads	Land Sale Reserve	General Parkland Reserve	Federal Gas Tax Reserve	Off Street Parking Reserve	Equipment Replacement Reserve	Total Reserves
ASSETS											
Receivable from General Revenue Fund	\$ 1,638,781	\$ 1,859,364	\$ 205,948	\$ 401,536	\$ 2,543,886	\$ 1,037,143	\$ 589,555	\$ 42,588	\$ 193,837	\$ 693,810	\$ 8,171,161
LIABILITIES AND EQUITY											
Balance at beginning of year	1,388,462	1,596,244	174,015	330,214	2,231,697	997,981	443,121	227,794	185,586	596,047	7,095,014
Add:											
Development cost charge collections	184,582	1,020,200	29,334	69,194	763,676		124,021	147,033			1,508,039
Grants and contributions											2,193,003
Proceeds on sale of land										450,186	460,689
Equipment rental	65,737	71,048	8,379	16,408	96,837	44,368	22,413	4,674	8,251	27,866	303,747
Interest											
Less:											
Transfers to:											
General Capital Fund				(14,280)	(548,324)	(5,206)					(567,810)
Water Capital Fund		(828,128)	(5,780)					(336,913)			(1,165,041)
Sewer Capital Fund											(5,780)
Equipment operations										(245,431)	(239,494)
Equipment replacements										(144,858)	(306,575)
Balance at end of year	\$ 1,638,781	\$ 1,859,364	\$ 205,948	\$ 401,536	\$ 2,543,886	\$ 1,037,143	\$ 589,555	\$ 42,588	\$ 193,837	\$ 693,810	\$ 9,206,448

**CITY OF PARKSVILLE
GENERAL REVENUE FUND
SCHEDULE OF REVENUE
AS AT DECEMBER 31, 2007**

SCHEDULE 14

	<u>Budget</u>	<u>2007</u>	<u>2006</u>
TAXATION			
Real property	\$ 8,325,597	\$ 8,265,403	\$ 7,553,991
1% Utility tax	160,709	160,709	150,009
Water parcel taxes	71,478	67,200	65,136
Sewer parcel taxes	24,890	26,030	24,366
Local improvement levy	74,027	74,027	74,027
	<u>\$ 8,656,701</u>	<u>\$ 8,593,369</u>	<u>\$ 7,867,529</u>
GRANTS-IN-LIEU OF TAXES			
Federal government	\$ 18,300	\$ 17,677	\$ 17,097
Provincial government	14,000	14,726	14,208
	<u>\$ 32,300</u>	<u>\$ 32,403</u>	<u>\$ 31,305</u>
SERVICES PROVIDED TO OTHER GOVERNMENTS			
Local area fire protection	\$ 249,700	\$ 250,000	\$ 170,465
District 69 sportsfield services	112,000	91,161	110,140
	<u>\$ 361,700</u>	<u>\$ 341,161</u>	<u>\$ 280,605</u>
SALE OF SERVICES			
Connection fees	\$ 3,000	\$ 5,900	\$ 8,400
Custom work	-	-	1,200
Garbage	485,500	502,253	461,112
Other	2,500	18,502	7,788
	<u>\$ 491,000</u>	<u>\$ 526,655</u>	<u>\$ 478,500</u>
OTHER REVENUE FROM OWN SOURCES			
Business licences	\$ 127,300	\$ 133,915	\$ 127,295
Delivery vehicle licences	3,000	2,606	2,989
Subdivision and re-zoning fees	105,500	302,003	153,346
Building and other permits	280,000	344,705	335,433
Other permits and licences	7,500	8,106	7,967
Other revenue	36,625	72,076	93,084
Fines	2,300	11,670	8,261
Rentals	267,012	272,024	243,291
Return on investments	240,000	397,240	334,135
Penalties and interest on taxes	67,800	60,419	59,719
Donations	-	18,597	21,075
	<u>\$ 1,137,037</u>	<u>\$ 1,623,361</u>	<u>\$ 1,386,595</u>
GOVERNMENT TRANSFERS			
Federal government			
Economic development	\$ -	\$ 24,413	\$ 25,443
Summer student grants	-	3,968	-
Provincial government			
Revenue sharing grants	332,000	334,324	285,534
Emergency measures	-	14,500	2,500
Other	-	-	1,500
2% Accommodation tax	275,000	312,799	284,769
Provincial/local government agencies	-	11,000	3,000
	<u>\$ 607,000</u>	<u>\$ 701,004</u>	<u>\$ 602,746</u>
TRANSFERS FROM OWN FUNDS AND RESERVES			
Carry-Forward Reserve	\$ 2,467,580	\$ 1,614,570	\$ 2,017,842
Reserve for Future Expenditures	-	3,000	-
	<u>\$ 2,467,580</u>	<u>\$ 1,617,570</u>	<u>\$ 2,017,842</u>
COLLECTIONS FOR OTHER GOVERNMENTS			
School tax	\$ 5,248,880	\$ 5,190,693	\$ 5,096,744
Regional District of Nanaimo	3,305,000	3,392,986	3,231,958
Regional District parks parcel taxes	-	14,953	-
Nanaimo Regional Hospital District	495,000	457,862	485,168
B.C. Assessment Authority	154,000	152,816	151,162
Municipal Finance Authority	400	492	394
Business Improvement Area	-	135,001	-
	<u>\$ 9,203,280</u>	<u>\$ 9,344,803</u>	<u>\$ 8,965,426</u>

CITY OF PARKSVILLE
GENERAL REVENUE FUND
SCHEDULE OF EXPENDITURES
AS AT DECEMBER 31, 2007

SCHEDULE 15

	<u>Budget</u>	<u>2007</u>	<u>2006</u>
GENERAL GOVERNMENT SERVICES			
Legislative	\$ 309,635	\$ 260,462	\$ 252,151
Administration and other	<u>1,343,154</u>	<u>1,236,118</u>	<u>1,090,345</u>
	<u>\$ 1,652,789</u>	<u>\$ 1,496,580</u>	<u>\$ 1,342,496</u>
PROTECTIVE SERVICES			
Policing	\$ 1,619,277	\$ 1,515,244	\$ 1,277,562
Bylaw enforcement	96,353	108,532	92,640
Fire protection	616,692	624,015	515,760
Emergency measures	19,600	27,915	14,244
Building inspections	220,115	239,852	190,257
Other	<u>41,850</u>	<u>39,705</u>	<u>39,464</u>
	<u>\$ 2,613,887</u>	<u>\$ 2,555,263</u>	<u>\$ 2,129,927</u>
TRANSPORTATION SERVICES			
Administration	\$ 638,260	\$ 556,124	\$ 492,986
Works yard operation	88,085	99,070	84,764
Road surfaces	406,003	299,712	105,482
Road allowances	90,488	66,593	68,676
Sidewalks	28,624	24,180	16,032
Drainage ditches	56,655	36,656	49,655
Storm sewers	99,321	83,034	71,840
Street cleaning and flushing	105,468	110,715	104,128
Snow removal	80,567	119,806	129,194
Street lighting	136,745	137,815	131,359
Traffic services	<u>156,443</u>	<u>93,924</u>	<u>95,157</u>
	<u>\$ 1,886,659</u>	<u>\$ 1,627,629</u>	<u>\$ 1,349,273</u>
PLANNING AND ENVIRONMENTAL DEVELOPMENT			
Planning	\$ 530,880	\$ 415,499	\$ 388,688
Housing	2,048	1,844	828
Economic development	151,100	143,537	214,973
Tourism	<u>275,000</u>	<u>312,799</u>	<u>284,769</u>
	<u>\$ 959,028</u>	<u>\$ 873,679</u>	<u>\$ 889,258</u>
ENVIRONMENTAL HEALTH SERVICES			
Garbage collection and disposal	<u>\$ 462,000</u>	<u>\$ 471,568</u>	<u>\$ 433,962</u>
PARKS AND CULTURAL SERVICES			
Administration	\$ 145,324	\$ 147,657	\$ 142,505
Parks and playgrounds	1,318,068	1,349,008	1,120,638
Library	<u>387,610</u>	<u>387,610</u>	<u>375,057</u>
	<u>\$ 1,851,002</u>	<u>\$ 1,884,275</u>	<u>\$ 1,638,200</u>
FISCAL SERVICES			
Debt charges	\$ 321,916	\$ 353,397	\$ 332,420
Transfer to own reserves and funds			
Reserve for Future Expenditures	23,100	35,480	23,100
Carry-forward Reserve	-	1,775,999	1,296,409
General Capital Fund	4,355,053	2,110,354	2,127,802
Sewer Utility Fund	2,044,890	2,047,556	2,000,917
Water Utility Fund	71,478	67,200	65,136
Transmission of taxes levied for other governments			
School	5,248,880	5,190,693	5,096,741
Nanaimo Regional Hospital District	495,000	457,862	485,168
Regional District of Nanaimo	1,280,000	1,383,413	1,254,207
B.C. Assessment Authority	154,000	152,816	151,162
Municipal Finance Authority	400	492	394
Business Improvement Area	<u>-</u>	<u>135,000</u>	<u>-</u>
	<u>\$ 13,994,717</u>	<u>\$ 13,710,262</u>	<u>\$ 12,833,456</u>