

June 5, 2012

MEMO TO: FRED C. MANSON, CHIEF ADMINISTRATIVE OFFICER
FROM: G. LUCKY BUTTERWORTH, DIRECTOR OF FINANCE
SUBJECT: 2011 STATEMENT OF FINANCIAL INFORMATION (SOFI)

ISSUE

2011 Financial Statements and Schedules required in accordance with the Financial Information Act and associated regulations.

REFERENCE

Financial Information Regulations (BC Reg. 371/93) under the Financial Information Act.

EXECUTIVE SUMMARY

The municipality is required to prepare by June 30, a Statement of Financial Information (SOFI) for the prior year under the Financial Information Act. The 2011 SOFI is required to include the following statements and schedules:

- Statement of Assets and Liabilities
- Statement of Operations
- Management report
- Schedule of Debts
- Schedule of Guarantee and Indemnity agreements
- Schedules showing remuneration and expenses of Council and employees with remuneration greater than \$75,000
- Statement of Severance Agreements
- Schedule of payments made to suppliers of goods and services that exceeds \$25,000

These statements and schedules have been prepared in accordance with the Financial Information Act and are attached to this report. The SOFI package must also be approved by Council.

BACKGROUND

The Financial Information Act and associated regulations requires that the SOFI prepared by a municipality must be approved by Council and by the officer assigned responsibility for financial administration.

The Statement of Financial Information must include:

1. A statement of assets and liabilities.
2. An operational statement.
3. A schedule of debt.
4. A schedule of guarantee and indemnity agreements.
5. A schedule of remuneration and expenses paid to or on behalf of each employee and council member.
6. A schedule showing the payments for each supplier of goods or services.

The schedule of remuneration and expenses must:

- List by name and position the total amount of remuneration and the total amount of expenses paid to or on behalf of each elected official.
- List in alphabetical order for each employee, the name, the total amount of remuneration for each employee that exceeds \$75,000, and the total amount of expenses paid to or on behalf of that employee.
- The consolidated total of remuneration that was paid to employees earning \$75,000 or less.

The schedule of payments for each supplier of goods or services must:

- List in alphabetical order for each supplier, the name and the total amount paid by the municipality to the supplier where the amount exceeds \$25,000.
- The consolidated total paid to suppliers where the aggregate amount paid to each individual supplier was \$25,000 or less.

OPTIONS

Option 1: Approve the SOFI. Section 9 of BC Reg. 371/93 requires the Statement of Financial Information be approved by Council.

Option 2: Don't approve the SOFI. We will not be in compliance with the BC Financial Information regulations.

SUSTAINABILITY/ENVIRONMENTAL ANALYSIS

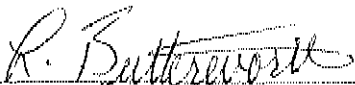
No issues.

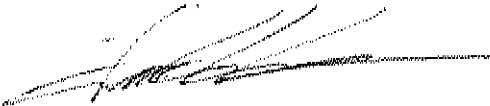
FINANCIAL IMPLICATIONS

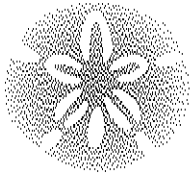
There are no significant costs to file the SOFI except for staff time to complete.

RECOMMENDATION

That Council approve the Statement of Financial Information for the Year Ended December 31, 2011.


G. LUCKY BUTTERWORTH, CGA
Director of Finance


FRED MANSON, CGA
Chief Administrative Officer



CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011

G. Lucky Butterworth

G. Lucky Butterworth, BBA, CGA
Director of Finance

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**CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011**

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Audited Financial Statements which provide:

- Management Report
- Statement of Assets and Liabilities
- Operational Statement
- Notes to the Financial Statements

Schedule of Debt

Schedule of Guarantee and Indemnity Agreements

Schedule of Elected Official Remuneration and Expenses

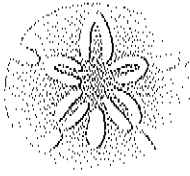
Schedule of Employee Remuneration and Expenses

Statement of Severance Agreements

Schedule of Payments for Goods and Services

Statement of Financial Information Approval

Council Minutes Approving Financial Information



City of
Parksville

CITY OF PARKSVILLE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

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CITY OF PARKSVILLE
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

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**CITY OF PARKSVILLE
MANAGEMENT REPORT
2011 FINANCIAL STATEMENTS**


The preparation of these Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Audit Committee of Council. The Audit Committee meets with the external auditors two times per year.

The external auditors, McGorman MacLean, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Audit Committee of Council.

On behalf of City of Parksville



G. Lucky Butterworth, BBA, CGA
Director of Finance

Chris Burger
Mayor

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the
City of Parksville

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2011 and the results of its operations, cash flows and changes in net financial assets for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Parksville, Canada
June 18, 2012

CHARTERED ACCOUNTANTS

CA¹¹³ 154 Memorial Ave., P.O. Box 760, Parksville, B.C. V9P 2G8

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CITY OF PARKSVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

STATEMENT A

	2011	2010 <small>(restated - Note 2)</small>
FINANCIAL ASSETS		
Cash	\$ 11,916,827	\$ 12,091,606
Investments (Note 3)	14,065,199	13,996,545
Accounts receivable (Note 4)	2,465,798	2,629,371
	28,447,824	28,717,522
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	2,038,410	2,063,848
Deferred revenue	59,392	37,092
Deposits and other liabilities (Note 6)	3,101,959	3,396,605
Employee benefits accrual (Note 7)	416,335	423,689
Deferred revenue - federal gas tax (Note 2 and 8)	1,304,972	939,846
Deferred revenue - development cost charges (Note 9)	5,931,570	6,547,039
Long term debt (Note 10)	3,412,754	3,717,311
	16,265,392	17,125,430
NET FINANCIAL ASSETS	12,182,432	11,592,092
NON-FINANCIAL ASSETS		
Prepaid expenses	48,526	24,139
Inventory	24,677	17,297
Tangible capital assets (Note 11)	149,561,053	146,549,449
	149,634,256	146,590,885
ACCUMULATED SURPLUS (Note 2 and 12)	\$ 161,816,688	\$ 158,182,977

Contingent liabilities (Note 13)
MFA debt reserve fund (Note 14)



G. Lucky Butterworth, CGA
Director of Finance

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2011

STATEMENT B

	<u>2011 Budget</u> (unaudited)	<u>2011 Actual</u>	<u>2010 Actual</u> (restated - Note 2)
REVENUE			
Taxation	\$ 10,644,951	\$ 10,646,049	\$ 10,223,339
Water and sewer user fees	3,583,320	3,373,754	3,569,644
Services provided to other governments	540,600	535,420	468,618
Sale of services	1,300,470	1,288,381	1,257,946
Interest	274,000	331,916	277,281
Other revenue from own sources	152,100	221,857	261,273
Government transfers	492,000	693,986	224,471
Capital grants	762,910	182,033	2,128,772
Developer contributions of tangible capital assets	72,905	496,321	312,583
Transfer from deferred revenue	2,969,793	1,275,364	670,765
Gain (loss) on disposal of tangible capital assets	-	6,730	(443,819)
	<u>20,793,049</u>	<u>19,051,811</u>	<u>18,950,873</u>
EXPENSES			
General government services	2,129,642	2,010,532	1,915,048
Protective services	3,243,531	2,901,514	2,814,211
Transportation services	4,080,551	3,846,593	3,500,965
Planning	919,372	745,010	699,359
Environmental health services	586,100	587,532	557,972
Parks and cultural services	2,302,138	2,267,694	2,192,247
Water services	2,466,814	1,968,888	1,828,603
Sewer services	1,092,086	1,090,337	996,525
	<u>16,820,234</u>	<u>15,418,100</u>	<u>14,504,930</u>
ANNUAL SURPLUS (Note 2)	3,972,815	3,633,711	4,445,943
ACCUMULATED SURPLUS AT BEGINNING OF YEAR (Note 2)	<u>158,182,977</u>	<u>158,182,977</u>	<u>153,737,034</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 162,155,792</u>	<u>\$ 161,816,688</u>	<u>\$ 158,182,977</u>

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
 CONSOLIDATED STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2011

STATEMENT C

	2011	2010 (restated - Note2)
CASH PROVIDED BY OPERATIONS		
Annual surplus	\$ 3,633,711	\$ 4,445,943
Items not involving cash:		
Amortization	3,271,176	3,161,399
(Gain) loss on disposal of tangible capital assets	(6,730)	443,819
Developer contribution of tangible capital assets	(496,321)	(312,583)
Actuarial reduction to long term debt	(109,687)	(96,867)
Changes in non-cash operating working capital:		
Decrease (increase)		
Accounts receivable	163,573	(321,909)
Prepaid expenses	(24,387)	61,937
Inventory	(7,380)	29,448
Increase (decrease)		
Accounts payable and accrued liabilities	(25,438)	410,699
Deferred revenue	22,300	25,917
Deposits and other liabilities	(294,644)	(400,611)
Employee benefits accrual	(7,353)	(39,100)
Deferred revenue - federal gas tax	365,126	356,136
Deferred revenue - development cost charges	(615,470)	(84,515)
Cash provided by operating transactions	5,868,476	7,679,713
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(5,880,480)	(6,423,666)
Proceeds from the sale of tangible capital assets	100,750	72,000
Cash applied to capital transactions	(5,779,730)	(6,351,666)
FINANCING TRANSACTIONS		
Long term debt repayment	(194,871)	(313,992)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(106,125)	1,014,055
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	26,088,151	25,074,096
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 25,982,026	\$ 26,088,151
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 11,916,827	\$ 12,091,606
Investments	14,065,199	13,996,545
	\$ 25,982,026	\$ 26,088,151
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid for interest on debt	\$ 187,621	\$ 204,816

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2011

STATEMENT D

	Budget (unaudited)	2011	2010 (restated - Note2)
ANNUAL SURPLUS	\$ 3,972,815	\$ 3,633,711	\$ 4,445,943
Acquisition of tangible capital assets	(10,495,540)	(6,376,800)	(6,736,249)
Amortization of tangible capital assets	3,063,250	3,271,176	3,161,399
(Gain) Loss on disposal of tangible capital assets	-	(6,730)	443,819
Proceeds on sale of tangible capital assets	-	100,750	72,000
	(3,459,475)	622,107	1,386,912
Acquisition of supplies inventory	-	(24,677)	(17,297)
Acquisition of prepaid expenses	-	(48,526)	(24,139)
Consumption of supplies inventory	-	17,297	46,745
Use of prepaid expenses	-	24,139	86,076
	-	(31,767)	91,385
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(3,459,475)	590,340	1,478,297
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	11,592,092	11,592,092	10,113,795
NET FINANCIAL ASSETS AT END OF YEAR	\$ 8,132,617	\$ 12,182,432	\$ 11,592,092

The accompanying notes are an integral part of these financial statements

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

The City of Parksville operates under the authority of the Local Government Act of British Columbia. The City's principal activities include the provision of services to residents of Parksville. These include protective services, engineering and public works, parks, community planning, general government, water, sewer, and solid waste.

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. Interfund transactions and balances have been eliminated.

b) Cash and investments

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary. At various times during the term of each individual investment, market value may be less than cost. Such declines in value are considered temporary for investments with known maturity dates as they generally reverse as the investments mature and therefore an adjustment to market value of these market declines is not recorded.

c) Non-financial assets

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

Inventory

The City maintains a minimal level of parts and supplies on hand. Larger inventory items are included on the statement of financial position and are recorded at cost at year end. Spare parts and supplies are expensed when purchased.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Non-financial assets (continued)

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisitions, construction, development, or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	10 - 50 years
Buildings	50 years
Vehicles, machinery and equipment	5 - 25 years
Roads, sidewalks and lighting	20 - 75 years
Storm sewer systems	15 - 70 years
Water systems and AWS dam	15 - 80 years
Sanitary sewer systems	15 - 60 years

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are initially recorded as work in progress and not amortized until the asset is available for productive use.

d) Basis of accounting

All revenue and expenses are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. Revenue is recorded in the period in which the transactions or events occurred that gave rise to the revenue, and expenses are recorded in the period the goods and services are acquired and a liability is incurred or transfers are due.

Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose.

Expenses are recorded 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, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) 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.

In 2009, the City's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful remaining lives of tangible capital assets. Actual results could differ from these estimates.

2. CHANGE IN ACCOUNTING POLICY

The City of Parksville has restated its financial statements to comply with the provisions of Section 3410 of the Public Sector Accounting Board handbook. Section 3410 establishes general reporting principles and standards for the recording of government transfers in the financial statements.

In prior years, federal gas tax funding was recorded as revenue upon receipt. Under the provisions of Section 3410, these funds are recorded as revenue as the stipulation liabilities are settled. The change has been applied retroactively and prior periods restated. The impact of the change on the current year is a reduction of grant and interest income totalling \$365,126. Amounts reported in prior years were changed as follows:

Adjustments to 2010 Accumulated Surplus at Beginning of Year

Accumulated surplus, beginning of year, as previously reported	\$ 154,320,744
Less: Transfer to Deferred revenue - federal gas tax	<u>(583,710)</u>
Accumulated surplus, beginning of year, restated	<u>\$ 153,737,034</u>

2010 Annual Surplus

Annual surplus, as previously reported	\$ 4,802,079
Less:	
Removal of 2010 gas tax funding	(345,466)
Transfer of 2010 interest on Gas tax fund to Deferred revenue	<u>(10,670)</u>
Annual surplus, as restated	<u>\$ 4,445,943</u>

Adjustments to 2010 Financial Liabilities

Financial liabilities, as previously reported	\$ 16,185,584
Add: Deferred revenue - federal gas tax	<u>939,846</u>
Financial liabilities, as restated	<u>\$ 17,125,430</u>

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

3. INVESTMENTS

		<u>2011</u>	<u>2010</u>
Short term notes and deposits	Cost	\$ 14,065,199	\$ 9,963,049
Long term notes and deposits	Cost	-	4,033,496
		<u>\$ 14,065,199</u>	<u>\$ 13,996,545</u>
Short term notes and deposits	Market value	\$ 14,148,560	\$ 9,963,049
Long term notes and deposits	Market value	-	4,188,640
		<u>\$ 14,148,560</u>	<u>\$ 14,151,689</u>

Short term notes and deposits have interest rates varying from 1.30% to 4.60% (2010 - 1.35% to 1.75%) and mature in less than one year.

4. ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Property taxes and utilities receivable	\$ 840,503	\$ 893,110
Accrued utilities receivable	859,500	875,750
Receivable from provincial government	23,198	213,098
Receivable from federal government	376,403	239,613
Receivable from other government agencies	118,001	98,830
Trade accounts receivable	131,246	189,119
Accrued interest receivable	116,947	119,851
	<u>\$ 2,465,798</u>	<u>\$ 2,629,371</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2011</u>	<u>2010</u>
Payable to federal government	\$ 498,412	\$ 533,223
Payable to provincial government	73,122	162,525
Payable to other government agencies	375,581	113,615
Trade accounts payable	755,447	914,581
Accrued payroll and vacation payable	335,848	339,904
	<u>\$ 2,038,410</u>	<u>\$ 2,063,848</u>

6. DEPOSITS AND OTHER LIABILITIES

	<u>2011</u>	<u>2010</u>
Prepaid property taxes and utilities	\$ 1,558,843	\$ 1,486,275
Development security deposits	1,284,437	1,660,049
Developer contributions and grant deposits	257,320	246,502
Building permit and other advance deposits	1,359	3,779
	<u>\$ 3,101,959</u>	<u>\$ 3,396,605</u>

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

7. EMPLOYEE BENEFIT ACCRUAL

	2011	2010
Retirement benefits payable	\$ 329,952	\$ 337,306
Sick time accrual	86,383	86,383
	\$ 416,335	\$ 423,689

Retirement benefits - employees who retire may qualify for a payout of their accumulated unused sick leave bank. Union employees may qualify for a payout of up to 60 days and non-union staff qualify for a payout of up to 261 days if certain restrictions are met. The City calculates the value of this liability based on a statistical analysis of the age and length of service of its workforce. The liability reflects the likelihood that employees will reach the age of 60, retire and become eligible for this benefit.

8. DEFERRED REVENUE - FEDERAL GAS TAX

Federal gas tax funding is provided by the Government of Canada and the use of the funding is established by a funding agreement between the local government and the Union of BC Municipalities. Funding must only be used for designated capital projects as specified in the funding agreements.

The City reports the balance of unused funding as deferred revenue until it is used to fund specified capital projects. Interest is required to be accrued on the fund balance.

	2011	2010
Balance at beginning of year	\$ 939,846	\$ 583,710
Contributions from government	345,431	345,466
Interest	19,695	10,670
Transfer to revenue	-	-
	\$ 1,304,972	\$ 939,846

9. DEFERRED REVENUE - DEVELOPMENT COST CHARGES

Development cost charges represents funds collected from development for capital purposes as specified by a bylaw under the authority of the Community Charter. The collections from development are recorded as a deferred revenue until such time as they are spent for the purposes specified in the City bylaw.

	2011	2010
Balance at beginning of year	\$ 6,547,039	\$ 6,631,555
Contributions from developers	540,111	487,829
Interest	119,784	98,421
Transfer to revenue	(1,275,364)	(670,766)
	\$ 5,931,570	\$ 6,547,039

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

10. LONG TERM DEBT

General Revenue Fund

<u>Debenture Debt</u> <u>Purpose</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>2011</u>	<u>2010</u>
Civic and Technology Centre	Dec. 2021	3.05%	\$ 650,592	\$ 699,854
Civic and Technology Centre	Dec. 2021	5.69%	509,894	544,076
Northwest Bay Road				
Local improvement	Apr. 2025	5.10%	600,706	636,047
Total General revenue fund long term debt			<u>1,761,192</u>	<u>1,879,977</u>

Water Utility Fund

<u>Debenture Debt</u> <u>Purpose</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>		
Water	Mar. 2018	4.65%	557,176	622,350
Water	Sep. 2018	4.65%	914,698	1,021,691
Water	Jun. 2021	3.05%	179,688	193,293
Total Water utility fund long term debt			<u>1,651,562</u>	<u>1,837,334</u>
Total long term debt			<u>\$ 3,412,754</u>	<u>\$ 3,717,311</u>

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

	<u>General</u> <u>Fund</u>	<u>Water</u> <u>Fund</u>	<u>Total</u>
2012	\$ 91,133	\$ 104,639	\$ 195,772
2013	92,057	104,639	196,696
2014	93,005	104,639	197,644
2015	93,977	104,639	198,616
2016	94,973	104,639	199,612
	<u>\$ 465,145</u>	<u>\$ 523,195</u>	<u>\$ 988,340</u>

CITY OF PARKSVILLE
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011

11. TANGIBLE CAPITAL ASSETS

	<u>2011</u>	<u>2010</u>
Land and land improvements	\$ 52,765,639	\$ 51,507,158
Buildings	10,898,577	7,683,617
Vehicles, machinery and equipment	5,392,704	4,832,079
Infrastructure		
Roads, sidewalks and lighting	50,548,630	50,518,674
Storm sewer systems	23,873,712	23,595,394
Water systems and Arrowsmith Dam	33,630,601	33,538,507
Sanitary sewer systems	15,940,274	15,924,590
Work in progress	<u>2,538,572</u>	<u>2,007,227</u>
	195,588,709	189,607,246
Less: Accumulated amortization	<u>46,027,656</u>	<u>43,057,797</u>
Net book value (Schedule 1)	<u>\$ 149,561,053</u>	<u>\$ 146,549,449</u>

Land and land improvements includes the cost of land under roads recognized at fair market value at the date of acquisition.

Contributed tangible capital assets are recognized at fair market value at the date of contribution. In 2011, \$496,321 (2010 - \$312,583) of tangible capital assets were contributed and included in infrastructure.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

12. ACCUMULATED SURPLUS

	<u>2011</u>	<u>2010</u>
Restricted Surplus		
General revenue fund reserves for future expenditures	\$ 2,500,367	\$ 4,018,676
Water utility fund reserves for future expenditures	590,721	117,500
Sewer utility fund reserves for future expenditures	10,120	24,500
Equity in Arrowsmith Water Services Joint Venture reserves	<u>118,001</u>	<u>98,831</u>
	3,219,209	4,259,507
General fund capital reserve	174,235	171,036
Water utility fund capital reserve	149,719	146,970
Sewer utility fund capital reserve	650,480	638,535
Statutory reserve funds (Schedule 3)	<u>1,661,103</u>	<u>1,818,449</u>
	<u>5,854,746</u>	<u>7,034,497</u>
Unrestricted Surplus		
General revenue fund	3,852,799	2,768,811
Water utility fund	3,125,091	2,790,679
Sewer utility fund	<u>2,835,752</u>	<u>2,756,852</u>
	<u>9,813,642</u>	<u>8,316,342</u>
Equity in tangible capital assets		
General revenue fund	108,689,352	106,099,565
Water utility fund	26,344,598	25,489,792
Sewer utility fund	<u>11,114,350</u>	<u>11,242,781</u>
	<u>146,148,300</u>	<u>142,832,138</u>
	<u>\$ 161,816,688</u>	<u>\$ 158,182,977</u>

The restricted surplus 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 unrestricted surplus represents the accumulated operating surpluses of the City.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

13. 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 \$197,998. 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 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 173,000 active members and approximately 63,000 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, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The City of Parksville paid \$365,666 for employer contributions to the Plan in fiscal 2011.

- 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.

14. 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:

	<u>2011</u>	<u>2010</u>
Cash	\$ 100,392	\$ 97,083
Demand note	197,998	197,998
	<u>\$ 298,390</u>	<u>\$ 295,081</u>

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

15. SEGMENTED INFORMATION

The City of Parksville provides a diverse range of services to its citizens including water and sewer, fire, police, bylaw, building inspections and park maintenance among others. The City maintains three separate funds (general revenue, water revenue and sewer revenue) to account for the services. Each fund is expected to cover its expenditures through its own revenue collections.

City services are provided by departments and their activities are reported in one of these funds. Certain departments have been amalgamated to reduce the number of segments and provide information along the following related functional lines:

Protective Services

Includes the provision of police, fire, bylaw and emergency services. The City shares costs in a regional police force that serves Parksville, Qualicum Beach, French Creek, Errington and other local areas within the Regional District of Nanaimo. The City of Parksville has an allocation of 16 police officers. The Parksville volunteer fire department includes three full time officers and 36 volunteer members and provides first responder services in addition to fire protection to Parksville and part of the Regional District of Nanaimo (half of French Creek, San Paniel, and Martindale Road). Bylaw enforcement is provided part time by 2 bylaw officers, one of which also acts as the emergency program coordinator.

Engineering and Public Works

Responsible for the delivery of municipal public works services including the planning, development and maintenance of roads, sidewalks, street lighting, traffic signals, snow removal and facilities. The engineering department also contracts itself to the water and sewer revenue funds for the planning and development of the City's water and sewer infrastructure.

Parks and Cultural Services

Maintains the City's numerous parks and roadside greenery. It also maintains the recreational sports fields, hard courts, dog park and children's playgrounds. Cultural services includes the costs paid to the Vancouver Island Regional Library and Parksville community centres.

Community Planning

Manages urban development for environmental concerns, local neighbourhoods and the downtown through City planning, community development, parks and sustainability planning. It ensures acceptable quality of building construction and property maintenance through enforcement of construction and building codes and standards. It also assists economic development through review and approval of land development plans, application of zoning by-laws and processing of building permit applications.

General Government

Provides services for legislative and general administration as well as financial management, revenue collection, human resources and information technology.

Other Services

Includes activities which do not easily fit into any of the above segment categories including unallocated common service costs and insurance.

CITY OF PARKSVILLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

15. SEGMENTED INFORMATION (continued)

Water, Sewer, and Solid Waste

Water and Sewer are each accounted for in their own funds and are consolidated for segmentation purposes. The water fund is responsible for providing water to the citizens of Parksville including the maintenance of the water distribution and supply system. The sewer fund is responsible for the maintenance of the sanitary sewer collection system. The planning and development of the systems is provided by the Engineering department. Solid waste collection and disposal is contracted out by the City to the Regional District of Nanaimo.

See Schedule 4 for a detailed summary of the revenues and expenses of each segment for 2010 and 2011.

16. EXPENSES BY OBJECT

The following is a summary of expenses by object:

<u>Expense Object</u>	<u>2011</u>	<u>2010</u>
Wages and benefits	\$ 5,792,689	\$ 4,989,105
Consulting and contract services	4,037,695	4,082,905
Materials and supplies	1,241,419	1,235,091
Office and insurance	566,150	543,429
Amortization of tangible capital assets	3,271,176	3,161,399
Interest	187,621	204,816
Grants	321,350	288,185
	<u>\$ 15,418,100</u>	<u>\$ 14,504,930</u>

17. ANNUAL BUDGET

The financial statements include unaudited budget data from the Annual Budget as adopted by Council on May 9, 2011.

18. COMPARATIVE FIGURES

Certain 2011 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

**CITY OF PARKSVILLE
SCHEDULE OF TANGIBLE CAPITAL ASSETS**

SCHEDULE 1

AS AT DECEMBER 31, 2011

	ASSET COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE
	Balance December 31, 2010	2011 Additions	2011 Disposals	Balance December 31, 2011	Balance December 31, 2010	2011 Amortization	2011 Disposals	Balance December 31, 2011	
Land	\$ 46,633,453	\$ 1,097,165	\$ -	\$ 47,730,638	\$ -	\$ -	\$ -	\$ -	\$ 47,730,638
Land improvements	4,873,705	184,230	22,934	5,035,001	1,837,524	187,714	9,174	1,816,064	3,218,937
Buildings	7,683,617	3,214,960	-	10,898,577	1,436,831	224,302	-	1,661,133	9,237,444
Vehicles and equipment	4,832,079	821,822	261,197	5,392,704	2,479,088	457,372	246,117	2,690,343	2,702,361
Roads	50,518,674	116,689	86,733	50,548,630	18,181,285	1,179,496	37,933	19,322,848	31,225,782
Drainage systems	23,595,394	291,382	13,074	23,873,712	6,138,603	399,317	1,090	6,538,830	17,336,882
Water system & AWS dam	33,538,507	101,966	9,872	33,630,601	8,426,662	552,946	5,781	8,973,827	24,656,774
Sewer system	15,924,590	17,212	1,528	15,940,274	4,757,804	270,029	1,222	5,026,611	10,913,663
Work in progress	2,007,227	531,345	-	2,538,572	-	-	-	-	2,538,572
	\$ 189,607,246	\$ 6,376,801	\$ 395,338	\$ 195,568,709	\$ 43,057,797	\$ 3,271,176	\$ 301,317	\$ 46,027,656	\$ 149,581,053

AS AT DECEMBER 31, 2010

	ASSET COST				ACCUMULATED AMORTIZATION				NET BOOK VALUE
	Balance December 31, 2009	2010 Additions	2010 Disposals	Balance December 31, 2010	Balance December 31, 2009	2010 Amortization	2010 Disposals	Balance December 31, 2010	
Land	\$ 46,633,453	\$ -	\$ -	\$ 46,633,453	\$ -	\$ -	\$ -	\$ -	\$ 46,633,453
Land improvements	4,900,208	873,497	-	4,873,705	1,437,453	200,071	-	1,837,524	3,236,181
Buildings	6,900,892	782,725	-	7,683,617	1,276,828	160,903	-	1,436,831	6,246,786
Vehicles and equipment	4,560,105	604,344	332,370	4,832,079	2,256,089	406,018	183,019	2,479,088	2,352,991
Roads	48,434,109	2,837,770	753,205	50,518,674	17,545,913	1,179,239	543,867	18,181,285	32,337,389
Drainage systems	23,165,808	543,160	113,574	23,595,394	5,806,763	394,670	62,830	6,138,603	17,456,791
Water system & AWS dam	32,406,789	1,263,533	131,825	33,538,507	7,928,104	551,631	53,073	8,426,662	25,111,845
Sewer system	15,737,913	264,965	78,288	15,924,590	4,538,692	269,767	50,655	4,757,804	11,166,786
Work in progress	2,440,973	(433,746)	-	2,007,227	-	-	-	-	2,007,227
	\$ 184,280,260	\$ 6,736,248	\$ 1,409,262	\$ 189,607,246	\$ 40,789,842	\$ 3,161,399	\$ 893,444	\$ 43,057,797	\$ 146,549,449

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CITY OF PARKSVILLE
 SCHEDULE OF DEFERRED REVENUE - DEVELOPMENT COST CHARGE ACTIVITIES
 AS AT DECEMBER 31, 2011

SCHEDULE 2

	Public Open Space	Water	Sanitary Sewer	Storm Sewer	Roads	2011 Total	2010 Total
Balance at beginning of year	\$ 1,961,254	\$ 1,548,043	\$ 129,407	\$ 351,222	\$ 2,557,113	\$ 6,547,039	\$ 6,631,555
Add:							
Development cost charge collections	41,495	232,472	12,029	23,321	230,794	540,111	487,829
Interest	37,000	23,624	2,294	6,524	50,342	119,784	98,421
Less:							
Transfers to:							
General capital projects	-	-	-	(57,779)	(278,834)	(336,613)	(391,376)
Water capital projects	-	(864,065)	-	-	-	(864,065)	(244,262)
Sewer capital projects	-	-	(74,686)	-	-	(74,686)	(35,128)
Balance at end of year	<u>\$ 2,039,749</u>	<u>\$ 940,074</u>	<u>\$ 69,044</u>	<u>\$ 323,288</u>	<u>\$ 2,559,415</u>	<u>\$ 5,931,570</u>	<u>\$ 6,547,039</u>

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CITY OF PARKSVILLE
 SCHEDULE OF STATUTORY RESERVE FUND ACTIVITIES
 AS AT DECEMBER 31, 2011

SCHEDULE 3

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					<u>2011</u>	<u>2010</u>
	<u>Land Sale Reserve</u>	<u>General Parkland Reserve</u>	<u>Off Street Parking Reserve</u>	<u>Equipment Replacement Reserve</u>	<u>Total Reserves</u>	<u>Total Reserves</u>
Balance at beginning of year	\$ 324,130	\$ 630,521	\$ 207,306	\$ 656,491	\$ 1,818,449	\$ 1,931,131
Add:						
Proceeds on sale of equipment				87,250	87,250	71,999
Equipment rental				479,300	479,300	477,814
Interest	4,314	11,794	3,878	11,628	31,614	27,481
Less:						
Transfers to:						
General capital	(191,811)				(191,811)	-
Equipment operations				(332,514)	(332,514)	(302,162)
Equipment capital				(231,185)	(231,185)	(387,814)
Balance at end of year	<u>\$ 136,633</u>	<u>\$ 642,315</u>	<u>\$ 211,184</u>	<u>\$ 670,970</u>	<u>\$ 1,661,103</u>	<u>\$ 1,818,449</u>

**CITY OF PARKSVILLE
SCHEDULE OF SEGMENTED DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2011**

SCHEDULE 4

	Protective Services	Engineering and Public Works	Parks and Cultural Services	Community Planning	General Government	Other Services	Water, Sewer and Solid Waste	Adjustments and Eliminations	2011 Consolidated Totals
Revenues									
External taxes	\$ -	\$ -	\$ 455,552	\$ -	\$ 10,101,919	\$ -	\$ 88,577	\$ -	\$ 10,646,048
Fees and charges	25,363	309,988	19,180	298,208	53,587	-	3,992,317	-	4,698,543
Other sources	587,497	-	156,345	-	811,671	8,770	122,235	60,154	1,746,672
Capital grants and developer contributions	39,194	446,881	-	-	-	-	192,279	-	678,354
Transfers from DCC reserves	-	336,613	-	-	-	-	938,751	-	1,275,364
Internal charges	-	522,000	-	-	455,852	77,148	-	(1,055,000)	-
Gain (loss) on disposal of tangible capital assets	13,500	(2,375)	-	-	-	-	(4,395)	-	6,730
	<u>665,554</u>	<u>1,613,107</u>	<u>631,077</u>	<u>298,208</u>	<u>11,423,029</u>	<u>85,918</u>	<u>5,329,764</u>	<u>(994,846)</u>	<u>19,051,811</u>
Expenses									
Labour	777,978	1,414,691	748,738	660,545	1,546,682	-	564,160	-	5,702,774
Consulting and contract services	1,685,859	719,993	619,554	85,811	168,401	900	703,335	-	3,983,853
Other	213,589	584,488	558,029	14,899	264,946	186,747	449,978	-	2,272,676
Internal charges	53,136	-	31,000	-	-	-	970,864	(1,055,000)	-
Amortization of tangible capital assets	158,470	1,870,710	186,547	-	175,835	-	879,814	-	3,271,176
	<u>2,889,032</u>	<u>4,589,882</u>	<u>2,143,868</u>	<u>751,255</u>	<u>2,155,844</u>	<u>187,647</u>	<u>3,568,151</u>	<u>(1,055,000)</u>	<u>15,230,479</u>
Fiscal Services									
Debt servicing and repayments	-	101,106	-	-	7,909	-	78,606	-	187,621
Segment surplus (deficit)	<u>\$ (2,223,478)</u>	<u>\$ (3,077,881)</u>	<u>\$ (1,512,791)</u>	<u>\$ (453,047)</u>	<u>\$ 9,259,478</u>	<u>\$ (101,729)</u>	<u>\$ 1,683,007</u>	<u>\$ 60,154</u>	<u>\$ 3,633,711</u>

CITY OF PARKSVILLE
 SCHEDULE OF SEGMENTED DISCLOSURE
 FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE 4

	Protective Services	Engineering and Public Works	Parks and Cultural Services	Community Planning	General Government	Other Services	Water, Sewer and Solid Waste	Adjustments and Eliminations	2010 Consolidated Totals
Revenues									
External taxes	\$ -	\$ -	\$ 433,884	\$ -	\$ 9,684,908	\$ -	\$ 104,547	\$ -	\$ 10,223,339
Fees and charges	30,093	296,039	15,130	340,677	24,411	-	4,154,797	-	4,861,147
Other sources	393,838	44,205	141,660	10,000	444,787	3,317	88,821	71,438	1,198,086
Capital grants and developer contributions	-	1,601,309	315,201	-	-	-	524,844	-	2,441,354
Transfers from DCC reserves	-	391,376	-	-	-	-	279,390	-	670,766
Internal charges	-	339,000	-	-	409,131	88,469	-	(836,600)	-
Loss on disposal of tangible capital assets	-	(337,433)	-	-	-	-	(106,396)	-	(443,819)
	<u>423,931</u>	<u>2,334,496</u>	<u>905,895</u>	<u>350,677</u>	<u>10,563,237</u>	<u>91,786</u>	<u>5,046,013</u>	<u>(765,162)</u>	<u>18,950,873</u>
Expenses									
Labour	751,419	928,409	683,633	595,265	1,420,441	-	520,610	-	4,899,777
Consulting and contract services	1,741,849	780,682	623,550	91,267	125,910	580	697,775	-	4,061,613
Other	192,933	506,195	546,530	23,555	259,241	215,599	433,539	(267)	2,177,325
Internal charges	50,309	-	21,500	-	-	-	754,791	(836,600)	-
Amortization of tangible capital assets	66,200	1,846,890	198,904	-	175,635	-	873,770	-	3,161,399
	<u>2,802,710</u>	<u>4,062,176</u>	<u>2,074,117</u>	<u>710,087</u>	<u>1,981,227</u>	<u>216,179</u>	<u>3,290,485</u>	<u>(836,867)</u>	<u>14,300,114</u>
Fiscal Services									
Debt servicing and repayments	-	109,149	-	-	3,051	-	92,616	-	204,816
Segment surplus (deficit)	<u>\$ (2,378,779)</u>	<u>\$ (1,836,829)</u>	<u>\$ (1,168,222)</u>	<u>\$ (359,410)</u>	<u>\$ 8,578,959</u>	<u>\$ (124,393)</u>	<u>\$ 1,662,912</u>	<u>\$ 71,705</u>	<u>\$ 4,445,943</u>

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**City of Parkville
Schedule of Debt
As at December 31, 2011**

Issue	LA/CB	SI	Rgn SI	Purpose	Term	Amount Borrowed	Principal Paid	Interest Paid	Actuarial Recognized	Balance Outstanding	Accrued Interest	Accrued Actuarial	Sinking Fund Credit
68	1263	1291	1109	Water	20	1,200,000.00	36,291.10	55,800.00	28,882.50	557,176.35	14,981.92	24,764.52	670,634.54
69	1263	1295	1129	Water	20	1,970,000.00	59,577.90	91,605.00	47,415.45	914,697.65	24,595.32	14,128.37	1,068,033.04
74	1263	1341	1227	Water	20	290,000.00	8,770.35	13,021.00	4,835.34	179,687.47	726.99	3,209.92	113,522.44
75	1316	1346	1238	General	20	1,050,000.00	31,754.72	59,745.00	17,507.27	650,592.55	2,632.19	1,636.92	401,048.81
78	1316	1365	1283	General	20	765,000.00	23,135.58	41,080.50	11,046.21	509,894.04	3,151.38	975.82	256,084.44
93	1354	03212005	1420	General	20	800,000.00	35,341.20	31,537.19	0.00	600,705.73	7,218.34	0.00	0.00
Totals						\$ 6,075,000.00	\$ 194,870.85	\$ 292,788.69	\$ 109,686.77	\$ 3,412,753.79	\$ 53,306.14	\$ 44,715.55	\$ 2,509,323.27

2011 TOTALS

Water	1,651,561.47	40,304.23
General	<u>1,761,192.32</u>	<u>13,001.91</u>
	<u>\$ 3,412,753.79</u>	<u>\$ 53,306.14</u>

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**CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011**

Schedule of Guarantee and Indemnity Agreements

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

**CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011**

Schedule of Elected Official Remuneration and Expenses

		<u>Remuneration</u>	<u>Expenses</u>
BURGER CHRISTIAN	Mayor	\$ 28,451.56	\$ 5,604.07
LEFEBVRE MARC	Councillor	11,754.97	3,790.41
PATTERSON TERESA	Councillor	10,775.39	829.95
POWELL SUSAN	Councillor	12,018.47	4,971.94
GREIR ALAN	Councillor	13,378.47	3,107.50
POWELL-DAVIDSON CARRIE	Councillor	13,029.96	5,961.82
MORRISON PETER	Councillor	979.58	30.52
NEUFELD WILLIAM	Councillor	979.58	30.52
		<u>\$ 91,367.98</u>	<u>\$ 24,326.73</u>

**CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011**

Schedule of Employee Remuneration and Expenses

	Remuneration (including taxable benefits)	Employee Expenses
EMPLOYEES OVER \$75,000		
BANKS W. DOUGLAS	\$ 107,929.95 (1)	\$ 2,162.49
BUTTERWORTH GORDON	116,576.67 (1)	4,297.51
CRAWSHAW PETER	75,909.17 (2)	3,236.30
FIGUEIRA VAUGHN	92,262.65	628.18
HARARY ROBERT	105,256.23	10,184.15
JACKSON GAYLE	114,474.47 (1)	-
KITCHEN P. LYNN	76,712.34 (1)	3,213.87
KLEIBL SHANNON	78,907.03 (1)	269.00
MANSON FRÉDERICK	154,145.49 (1)	6,637.43
NORRIS MARC	78,792.06 (1)	1,584.49
RUSSELL BLAINE	83,415.10 (1)	771.50
SQUIRE MIKE	100,294.98 (1)	2,389.25
	\$ 1,184,676.14	\$ 35,374.17
EMPLOYEES \$75,000 OR LESS		
Consolidated	3,570,957.70 (2)	51,223.49
Total	\$ 4,755,633.84	\$ 86,597.66

- (1) Remuneration includes retroactive pay for July-Dec 2010 which was paid in 2011.
(2) Remuneration includes retroactive pay for Jan-Dec 2010 which was paid in 2011.

**CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011**

Statement of Severance Agreements

There were no severance agreements made between City of Parksville and its non-union employees during the fiscal year 2011.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

City of Parksville
Statement of Financial Information
For the period January 1 - December 31, 2011

Schedule of Payments made for the Provision of Goods or Services

Name	Amount
592624 BC LTD.	\$ 33,645
658780 BC LTD	50,092
AON REED STENHOUSE INC.	56,652
ARCHIE JOHNSTONE PLUMBING & HEATING	306,217
ASPLUNDH CANADA INC.	54,328
ASSOCIATED ENGINEERING (BC) LTD.	78,620
BAYSHORE CONSTRUCTION INC.	66,037
BC HYDRO	577,002
BIOMAXX WASTEWATER SOLUTIONS INC	44,926
BLUENOSE MOTOR CO LTD	64,036
BOULEVARD TRANSPORTATION GROUP	25,432
BRANCHING OUT	31,115
BRITCO BUILDING INNOVATIONS	30,082
BRITISH COLUMBIA LIFE & CASUALTY COMPANY	110,618
CANADIAN UNION OF PUBLIC EMPLOYEES	59,716
CAREL PROPERTIES LTD.	69,157
CASTLE CARPET ONE	83,247
DEN MAR ELECTRIC LTD	429,233
DIAMOND MUNICIPAL SOLUTIONS INC	49,453
DIAMOND SOFTWARE INC	111,790
EAST ISLE POWER LTD	36,040
FOOTPRINTS SECURITY PATROL LTD.	57,569
FOUR STAR WATERWORKS LTD.	53,368
FYFE WELL & WATER SERVICES	73,053
GREYROCK CONSTRUCTION LTD	28,799
GUILLEVIN INTERNATIONAL INC.	27,195
HAYLOCK BROS. PAVING LTD.	249,509
HEROLD ENGINEERING LIMITED	61,201
HOLDFAST METALWORKS LTD	121,846
HUB FIRE ENGINES & EQUIPMENT LTD.	506,644
HUSKY OIL MARKETING COMPANY	136,338
INSURANCE CORPORATION OF B.C.	37,815
INTER-KRAFT CONTRACTING LTD.	38,301
JARDINE LLOYD THOMPSON CANADA	50,305
JOE CUNNINGHAM FORD LTD.	25,237
KENTS CABINETS	36,960
KGC FIRE RESCUE INC.	53,802
KNAPPETT INDUSTRIES LTD	302,963
KOERS & ASSOCIATES ENGINEERING LTD.	187,971
LIBERTY CONTRACT MANAGEMENT INC.	587,362
MAINROAD PAVEMENT MARKING LP	37,921
MCGORMAN MACLEAN	33,152

City of Parksville
Statement of Financial Information
For the period January 1 - December 31, 2011

Schedule of Payments made for the Provision of Goods or Services

Name	Amount
MCGREGOR & THOMPSON HARDWARE LTD	32,564
MEDICAL SERVICES PLAN	79,798
MINISTER OF FINANCE	12,282
MUNICIPAL INSURANCE ASSOCIATION OF BC	85,006
MUNICIPAL PENSION PLAN	694,351
NIKO PROJECTS INC.	71,805
NORTH ISLAND TRACTOR	33,861
PACIFIC BLUE CROSS	170,528
PARK ISLAND PROPERTIES LTD.	88,516
PARKER JOHNSTON INDUSTRIES LTD	138,041
PARKSVILLE & DISTRICT CHAMBER OF COMMERCE	47,280
PARKSVILLE CHRYSLER	52,581
PARKSVILLE COMMUNITY AND CONFERENCE	218,857
PARKSVILLE DOWNTOWN BUSINESS ASSOCIATION	160,000
PARKSVILLE HEAVY EQUIPMENT	65,208
PORTER WOOD RECYCLING LTD.	26,217
PRO FINISH PAINTING	40,140
RADCLIFFE DEVELOPMENT CORPORATION	91,641
RAYLEC POWER LTD.	58,009
RECEIVER GENERAL FOR CANADA	2,965,132
RECTEC IND	92,149
REGIONAL DISTRICT OF NANAIMO	1,334,756
ROBIE'S CONTRACTING LTD.	215,395
ROCKY MOUNTAIN PHOENIX	27,231
SHAW CABLESYSTEMS GP	44,724
SIGNAL HOMES	85,994
SKY BLUE DEVELOPMENTS LTD.	29,184
SOFTCHOICE CORPORATION	35,819
STANTEC CONSULTING LTD	42,108
STAPLES MCDANNOLD STEWART	56,469
STAPLES MCDANNOLD STEWART, IN TRUST	1,197,669
TD VISA	82,555
TELUS COMMUNICATIONS (B.C.) INC.	71,840
TELUS COMMUNICATIONS COMPANY	92,344
TEMPEST DEVELOPMENT GROUP	214,423
THE RADIAN SOLUTIONS GROUP LTD.	37,915
THOMAS & COMPANY, "IN TRUST"	190,000
VANCOUVER ISLAND REGIONAL LIBRARY	456,032
VAN-ROC INTERIORS LTD	82,950
WINDLEY CONTRACTING (2010) LTD	480,923
WORKERS' COMPENSATION BOARD OF B.C.	90,036
WRIGHTWAY INTERLOCK & LANDSCAPE LTD	29,368

City of Parksville
Statement of Financial Information
For the period January 1 - December 31, 2011

Schedule of Payments made for the Provision of Goods or Services

Name	Amount
HUNTER OVERHEAD DOORS	25,010
Total payments over \$25,000	15,221,459
Payments under \$25,000	1,676,093
Total payments made	<u>\$ 16,897,552</u>

Payments for purposes of Grants included in the listing above:

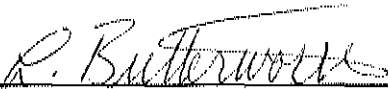
PARKSVILLE & DISTRICT CHAMBER OF COMMERCE	\$ 40,700
PARKSVILLE COMMUNITY AND CONFERENCE CENTRE	210,938
Other grant payments under \$25,000	69,712
	<u>\$ 321,350</u>

It is not reasonable to balance the above payments to the operating statement because the operating statement is prepared on the accrual basis whereas the above payments represent cash payments in the year. The payments listing above also includes various expenditures such as capital purchases, debt principal payments, and employee benefit deductions that are not included on the operating statement in accordance with generally accepted accounting principles.

CITY OF PARKSVILLE
STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2011

Statement of Financial Information Approval

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



G. Lucky Butterworth, BBA, CGA
Director of Finance
June 6, 2012

Chris Burger
Acting Mayor
June 19, 2012