

City of Port Alberni

British Columbia



2008 Comprehensive Annual Financial Report

For the year ended
December 31, 2008

Cover photo credit:
Kayak and Mount Arrowsmith
Photographer – Blake Johnson
Batstar Adventure Tours
Port Alberni, BC

**THE CITY
OF PORT ALBERNI
BRITISH COLUMBIA, CANADA**

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
2008**

FISCAL YEAR ENDED DECEMBER 31, 2008

This Document
Prepared by the Finance Department

CITY OF PORT ALBERNI

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DECEMBER 31, 2008

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INTRODUCTORY SECTION



CITY OF PORT ALBERNI

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May 15, 2009

Mayor and Council
City of Port Alberni

In accordance with section 167 of the Community Charter, I herewith submit the Financial Report for the year ended December 31, 2008 as audited by Duncan Sabine Collyer Partners LLP.

The purpose of this Comprehensive Annual Financial Report is to present to the users and readers a clear insight of the financial results for the fiscal year that ended December 31, 2008. We strive to ensure that this report presents fairly the financial position of the City. The report is divided into three sections as follows:

- Introductory Section - Provides the reader with an overview of the political, economic and administrative context within which the City operates.
- Financial Section - Presents the consolidated financial statements, supporting statements and schedules and the independent external auditors' report. These statements and schedules contain comparative results for the prior year and the current year and the current year approved budget.
- Statistics Section - Presents a variety of statistical and financial information on a five year comparative basis.

The preparation and presentation of the financial statements and related information in the annual report is the responsibility of the Management of the City of Port Alberni. These statements have been prepared in accordance with generally accepted fund accounting standards and are consistent with other information presented in the annual report. The preparation of financial information contained herein, necessarily involves the use of estimates and judgments which have been based on careful assessment of the data made available through the City's information systems. The City maintains a system of internal accounting controls designed to provide reasonable assurances for the safeguarding of assets and the reliability of financial records. Management recognizes the limits that are inherent in all systems of internal accounting control, however, management believes that the City has an effective and responsive system of internal accounting controls which is subject to regular review and revision.

Port Alberni City Council is responsible for ensuring that City Administration fulfils its responsibilities for financial reporting, internal control and risk management. To assist City Council with these responsibilities, a Council appointed Audit Committee has been established. The Audit Committee is comprised of three Councillors. The committee meets with management on a monthly basis to review financial reports and any issues concerning the financial reporting process. Municipal governments are entrusted with providing services within approved budget amounts in an environment of transparency, accountability and responsibility. The Audit Committee provides a focal point for communication between Council, the external auditor and management and facilitates an impartial, objective and independent review of management practices.

The audit firm of Duncan Sabine Collyer Partners LLP is appointed by the Council of the City of Port Alberni, and is responsible to report directly to you with their audit results.

The City of Port Alberni completed the 2008 fiscal year with an increase in the consolidated fund balance of \$1,249,292.

A summary of the 2008 overall fund balance increases (decreases) are as follows:

Operating Fund	\$ 33,955
----------------	-----------

Capital Fund	(244,889)
Reserve Accounts	(200,692)
Reserve Fund Operations	<u>1,660,918</u>
	\$ 1,249,292

Financial management policies and procedures are in place to assist in the management of the City's financial affairs. The approved policies and procedures are designed to meet the requirements of legislated standards and accounting principles. Significant financial management policies include:

- Investments - Funds that are not currently being used are invested in accordance with approved policies which meet the requirements of the various pieces of legislation that govern municipal investments. The City invests these funds in shorter term investment instruments to accommodate major capital project funding.
- Utilities - The City's policy is to not use general taxation to fund the provision of water service or solid waste collection services. These services are funded through user fees which are charged to only those who benefit from the services. In 2007 the City included sewer services in this policy.

Investment earnings decreased from the year before and registered a total of \$615,181 in 2008. Total investment income for the year 2007 was \$771,636 compared to \$711,098 in 2006, \$467,454 in 2005, and \$369,195 in 2004.

The following table compares temporary borrowing requirements incurred during the first half of the year, prior to receiving our taxation revenue.

YEAR	MAXIMUM BORROWING	COST
2008	\$43,000	\$29
2007	\$582,000	\$1,164
2006	\$0	\$0
2005	\$152,000	\$211
2004	\$102,000	\$67

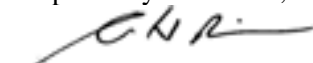
The City's 2008 long-term debt decreased from \$4,497,715 to \$4,290,931. The City's 2008 capital program of \$4,781,978 includes expenditures funded \$3,587,913 from current revenue, grants and donations, \$942,947 from Reserves, and Work In Progress of \$251,118 which was unfunded at year end.

The municipal statistics section of the report reveals that total taxes collected as a percentage of current levy at 98.2% for 2007, has slightly decreased over the level of performance of last year at 98.3%. Overall unpaid taxes have decreased by \$4.82 per capita.

The following reports are included in the introductory section and should be read in conjunction with this report:

Economic Condition and Outlook
Significant Local Events 2008
Municipal Infrastructure
Summary of Services and Regional Relationships
Budget Process and Timing
Source and Use of Capital Funding

Respectfully submitted,



Ann Hopkins
Director of Finance

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Port Alberni for our annual financial report for the fiscal year ended December 31, 2006. 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 the GFOA.

The award we received for our 2006 Annual Financial Report was the fourteenth time we have received the award.

Canadian Award for Financial Reporting

Presented to

City of Port Alberni
British Columbia

For its Annual
Financial Report
for the Year Ended

December 31, 2007

A Canadian Award for Financial Reporting
is presented by the Government of 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.



K. L. R.
President

Jeffrey L. Esser
Executive Director

Directory of Officials



Port Alberni Mayor and City Council

Back row: Councillor J. Douglas, Councillor I. Patterson, Councillor C. Solda, Councillor K. Whiteman

Front row: Councillor H. Chopra, Mayor K. McRae, Councillor J. McLeman

Appointed Officials

City Manager	K. Watson
City Clerk/Deputy City Manager	R. Dyson
Director of Finance	A. Hopkins
City Engineer.....	G. Cicon
Director of Parks and Recreation	S. Kenny
Fire Chief.....	T. Pley
Building Inspector	D. Cappus
Manager of Information Services	W. Kalyn
Licence Inspector	M. Zenko
City Planner.....	S. Smith
Area Assessor - B.C. Assessment	B. MacGougan
Solicitor	Beckingham & Co.
Officer Commanding RCMP Detachment	G. Wellar
Emergency Program Coordinator	R. Harper
Chair-V.I. Health Authority	J. Kreut
Auditors	Duncan Sabine Collyer Partners LLP
Bankers	Bank of Montreal

Directory of Officials (continued)

2008/09 Advisory Planning Commission

Chair K. Rolls
Vice Chair B. Mellaart
J. Penner
B. Ronning
B. Randles
L. Ransom
T. Snickers
C. Solda
Cpl. Foster
L. Norden

2008/09 Community Heritage Commission

Chair K. Rutherford D. Mayba
D. Lord B. Simpson
S. Steven J. Carlson
R. Rogers D. Hooper
B. Hamilton M. Dietrich
I. Patterson M. Williamson
J. Creighton G. Flostrand
P. Cote R. Gunn
D. Coulson C. Schella
B. Lekitch L. George

2008/09 Community Forest Advisory Committee

Chair Mayor K. McRae
J. McLeman
D. Powell
D. Bishop
D. Dowling
G. Swann
N. Malbon
P. Cote
W. Lauder
L. Sam



CITY OF PORT ALBERNI

MUNICIPAL COUNCIL ASSIGNMENTS – RESPONSIBILITIES FOR CITY SERVICES DECEMBER 31, 2008

COMMUNITY SERVICES, ECONOMIC DEVELOPMENT & TOURISM:

Chair	Councillor K. Whiteman	Parks and Recreation, Youth, First Nations, Economic Development and Tourism and Land Claims.
	Councillor I. Patterson	

GENERAL GOVERNMENT SERVICES:

Chair	Councillor H. Chopra	Administration, Personnel, Finance, Land Sales/Purchases, Legislative (including bylaw enforcement).
	Councillor C. Solda	

PLANNING, HEALTH & PROTECTIVE SERVICES:

Chair	Councillor C. Solda	Fire, Police, Animal Control, Building Inspection and Planning.
	Councillor J. McLeman	

HERITAGE, CULTURE & EDUCATION:

Chair	Councillor I. Patterson	Museum, McLean Mill, Heritage, and Education.
	Councillor J. Douglas	

TRANSPORTATION, UTILITIES AND FORESTRY ISSUES:

Chair	Councillor J. McLeman	Streets, Traffic, Transit, Water, Sewer, Cemetery, Garbage Collection and Forestry.
	Councillor H. Chopra	

ENVIRONMENTAL SERVICES & LIBRARY:

Chair	Councillor J. Douglas	Environmental Issues, Library and Spirit of 2010.
	Councillor K. Whiteman	

PERSONNEL:

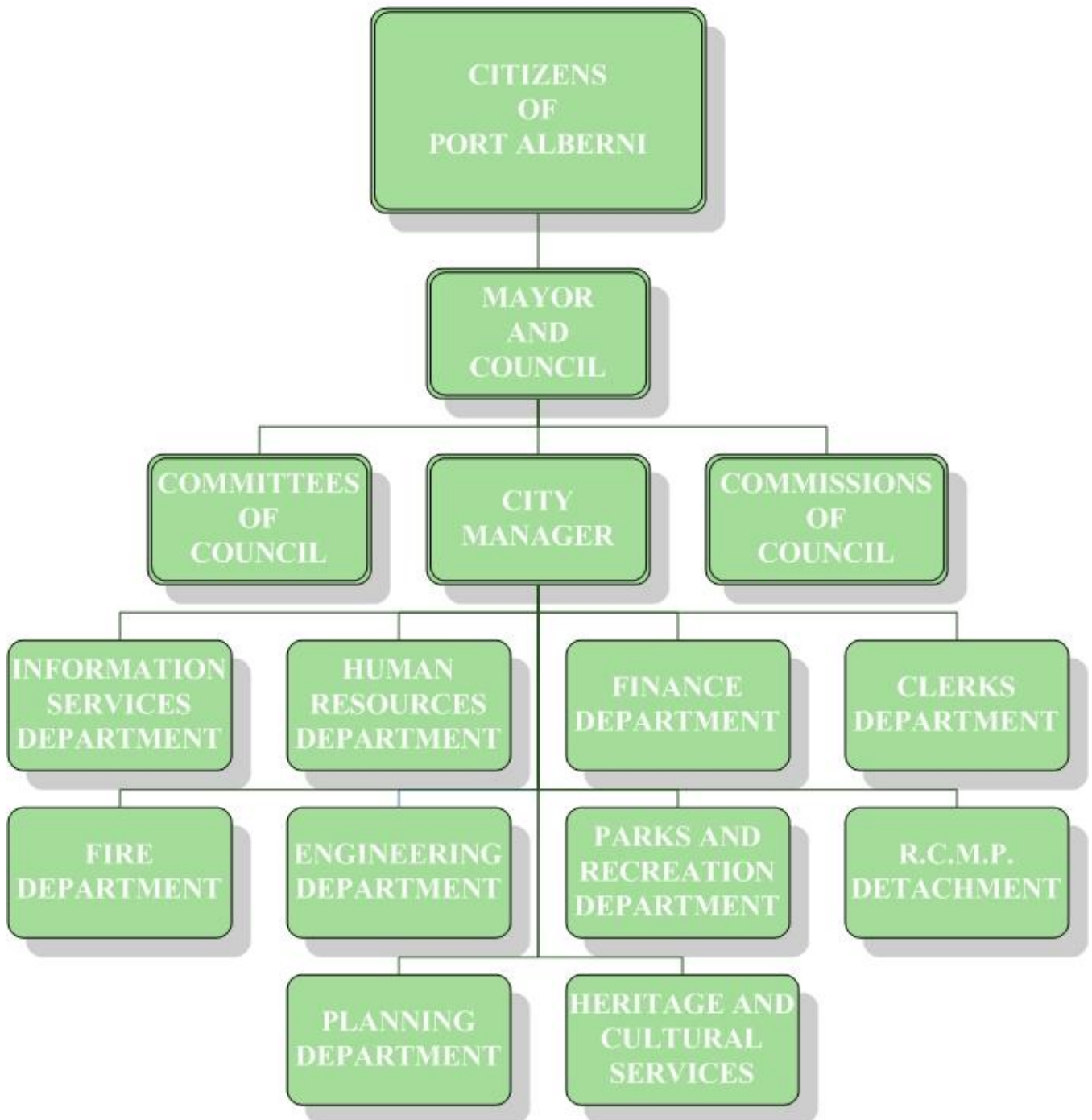
Chair	Mayor K. McRae	Personnel
	Councillor H. Chopra	
	Councillor C. Solda	

AUDIT:

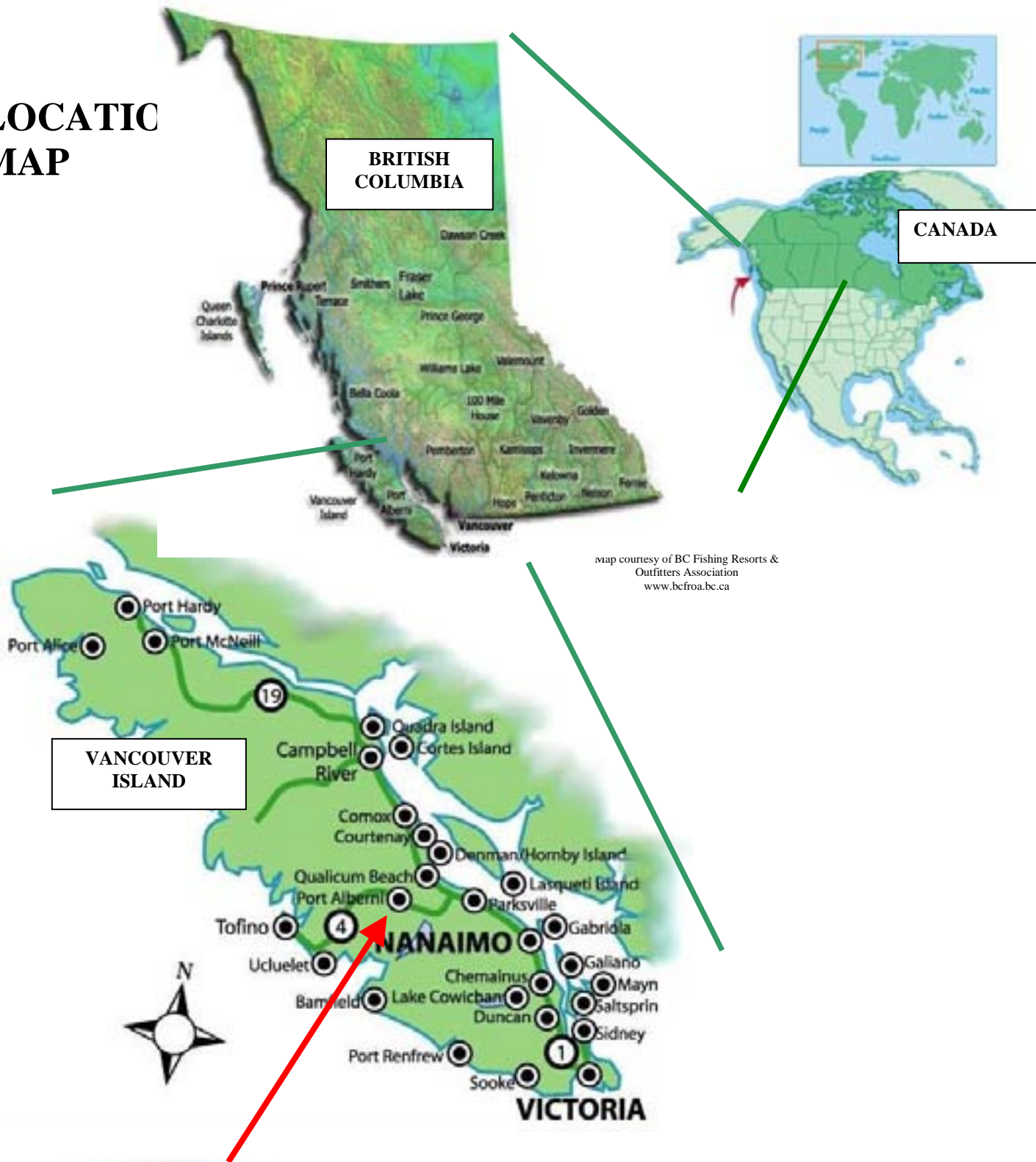
Chair	Councillor H. Chopra	Audit
	Councillor K. Whiteman	
	Councillor J. McLeman	

CITY OF PORT ALBERNI

ORGANIZATION CHART



LOCATIC MAP



PORT ALBERNI

Economic Condition and Outlook

Port Alberni is situated at the heart of the west coast of Vancouver Island in a broad valley at the end of a 48 kilometre-long ocean inlet. Three large freshwater lakes are within 20 minutes of the City's center. This location provides stunning views of majestic mountains, the inlet and a river estuary, terrific outdoor recreational opportunities and abundant quantities of high quality fresh water.

Port Alberni has a deep sea port, a new hospital, a new shopping mall, a well-developed array of recreational facilities, a growing suite of regionally-significant tourism attractions and a small airport which hosts a helicopter operation and serves many small private and corporate jets.

While forestry and related manufacturing have long been the mainstay of the Port Alberni economy, diversification efforts are being directed into tourism, marine industry, fish processing, the arts and clean technologies.

In spite of considerable downsizing in the forest industry over the last few decades, the population in Port Alberni has remained relatively constant. A significant increase in commercial and residential development in the City has been fueled by the fact that our community has some of the lowest property costs in British Columbia. This is attracting retirees looking to maximize their savings and others who see the opportunity to get into their own housing.

In Port Alberni the lumber and paper industries remain the largest employers and the largest individual taxpayers. These industries have a tremendously positive local impact. However, the B.C. Coastal Forest Industry continues to face serious economic challenges. The collapse of the US housing market, increasing competition from foreign producers, a lack of innovation, fuel prices, shipping costs and higher than

average taxes are all playing a role in challenging the local forestry industry.

This year City Council continues its program of accelerated tax reductions for the Major Industry class totaling \$2.1 million over the five years (2008-2012). These reductions are being achieved through a combination of expenditure reductions, slight increases in service revenues and a shift of the tax burden toward the residential sector. In 2008 City Council also successfully lobbied the provincial government for tax reductions for the Major Industry class. The City will continue to work with Catalyst and Western Forest Products, the two large industrial operators in our community to try and find ways of keeping their operations sustainable under the current difficult economic conditions.

In addition to over dependence on a single-resource sector, other challenges facing Port Alberni include current worldwide economic uncertainties, climate change related weather events, rising fuel prices, shifting demographics, aging infrastructure, and environmental issues. All these challenges have caused the City to accelerate the search for more effective and efficient ways to provide services. More senior government support is required in order to ensure rural BC communities are healthy and sustainable. Increased revenue sharing from the senior levels of government is a step in the right direction.

The City's Climate Change Committee brought forward several recommendations in mid-2008, some of which are being implemented. In addition in 2008 the City joined the PLUS Network, becoming one of only about 40 cities around the world which have committed to implement sustainable practices.

Despite the current economic downturn and other challenges that Port Alberni is facing, the City is able to maintain a relatively stable financial position. Overall operating surpluses increased only slightly due to small surpluses in both the Water Revenue and Sewer Revenue Funds. The surpluses, well-managed reserves and reserve funds, prudent investment and efficient cash management have aided the City in maintaining a long standing "pay as you go" policy for financing major capital expenditures. Port Alberni, like many Canadian local governments, faces significant financial challenges in funding badly needed upgrades of aging infrastructure. In 2008 capital works projects totaling \$4.5 million were completed. Significant projects included the infrastructure upgrades for water, sewer and road reconstruction on 8th Avenue between China Creek Road and Montrose Street at a cost of \$677,000 and Phase 1 of the Water Supply Main Renewal at China Creek at a cost of \$1.5 million. Funding for these and other capital projects included \$1.2 million in government grants and \$943,000 in contributions from City reserves. There was no borrowing required for the 2008 capital projects and future budgets estimate that less than \$1 million will be required over the next four years. Port Alberni's debt per capita for 2008 is \$245. The City is ranked at ninety-fifth of the 128 BC municipalities with outstanding debt at the end of 2007.

Significant Local Events 2008

Planning

The Planning Department processed 14 subdivision applications in 2008. The majority of the applications were small infill subdivisions. Preliminary layout approval was given for the following large subdivision:

- A 55-lot subdivision on Burde Street.

Final approval was given for the following large subdivision:

- An 39-lot subdivision on Burde Street

Approval was given to an Official Community Plan and Zoning change to allow for a new high school to be constructed on Roger Street. A design build method for a LEED Gold standard building will be used with ground breaking proposed for the Fall of 2009.

A joint Uptown and Waterfront Redevelopment Study between the Port Authority and the City of Port Alberni was completed in 2007. The study was focused on developing strategic recommendations and providing direction for the future of portions of the Waterfront and the Uptown Core. Implementation of the study began in 2008 and will continue in 2009.

The major redevelopment of the Alberni Mall continued in 2008.

Fire Department

During 2008 Port Alberni Fire Department responded to 1,193 calls for service. That figure represents 45 more calls than the previous year. The department conducted 995 fire inspections throughout the year, and monitored 148 third party inspections during the same time period. There were no fire deaths in Port Alberni during 2008.

During 2008 Port Alberni continued to maintain a level of fire protection service rated by Fire Underwriters as a 1 on the Dwelling Protection Grade scale and a 4 on the Public Fire Protection Classification scale. Those grading levels were maintained in part by continuing to provide fire suppression minimum on duty staffing of 4, and maintaining the City's fleet of rated fire apparatus.

2008 saw several significant personnel changes within the Port Alberni Fire Department. Those changes included:

- L. Norden appointed as Chief Fire Prevention Officer;
- H. Nadig promoted to Captain;
- T. Pley promoted to Fire Chief;
- C. Jancowski hired as Deputy Fire Chief.

Throughout the year there were several significant fire events. While some single family dwellings were damaged or lost, there were no significant losses to fire of core infrastructure and no significant impact to the local economy as a result of fire.

Parks & Recreation

Major events during the year included the Mount Arrowsmith Skating Club, Vancouver Island Skate International which attracted in excess of 700 skaters and the BC Bike Race which brought approximately 400 riders to Bob Dailey Stadium during their pass through Port Alberni.

The Port Alberni Toy Run Society and the Gyro Club of the Alberni's donated \$10,000 each to assist with the development of the new children's playground at Williamson Park. Parks and Recreation contributed an additional \$21,000 to complete the installation project.

The 2008 budget included \$25,000 from our Capital Reserve for fitness equipment upgrades at the Aquatic Centre. Ten percent of all Department revenues are directed into the reserve which is to be used for major capital improvements. The new fitness equipment is desperately needed as most of the existing equipment is old dating back to the opening of the facility.

Recreation Park has been converted from fast pitch to slo-pitch softball and is once again an active sports facility. The upgrades to the facility were the result of efforts of the Alberni Valley Men's Slo-pitch Association under the direction of key volunteer Dan Goddard and were supported by generous community donations with assistance by the City of Port Alberni Parks and Recreation Department. This is terrific reuse of a facility that has a wealth of sports history in the Valley.

The Province awarded \$440,000 to the City of Port Alberni to assist with the development of the Harbour Quay Spirit Square and the City provided an additional \$500,000 towards the project. Design consultants were engaged to complete the necessary plans with the goal of starting construction in the spring of 2009. The focus of the project is to expand the existing Farmers Market, improve water access, create additional public washrooms, upgrade the street lighting and improve business opportunities in the area.

Two major roof replacements were completed at Echo Centre in 2008. This included the replacement of the upper Museum roof and as a consequence all of the Museum roofs have been replaced. We also continued with roof replacements at the Aquatic Centre and have now completed all of the lower roof sections. This leaves only the main roof over the pool tank to be replaced.

The Alberni Valley Multiplex has gone green! A new lighting system was purchased for the Coulson Rink as part of the planned 2008 lighting upgrades for the U17 hockey tournament that will save approximately \$3,000-\$4,000 per year in electrical costs with this change. The Weyerhaeuser Arena lights were also replaced with more efficient and higher wattage fixtures that met the demands for high intensity television lighting. The total project cost was \$100,000 and was funded from Parks and Recreation capital reserves.

The Federal Government Job Opportunity Program provided a grant to the City of Port Alberni in the amount of \$520,000 for the development of trails in the Alberni Valley. The project was managed by the Parks and Recreation Department and started in November 2008 with a six month duration. Work in the early stages of the project focused on trail development within the City limits with the specific goal of extending the existing Log Train Trail from Burde Street to the southern boundary of the City at Ship Creek and Anderson roads. A total of 16 displaced forest workers were hired to complete the task.

Alberni Valley Museum

Attendance in 2008 was 28,175.

The Museum works in partnership with School District 70 to bring the BC curriculum to life through collections and heritage topics:

- School class attendance: 1342 children taking part in 50 educational programs;
- A complete review and three year plan to revise the entire school program undertaken in partnership with the school district has resulted in a 60% increase in the number of programs presented;

- A very successful regional Heritage Fair attracted 120 youth from the North Island region.

The Museum staff is producing top quality exhibits on a variety of themes that have local and regional appeal:

- “What Were Their Dreams: Port Alberni 1858 – 2008”. A major in-house exhibit created by an interdisciplinary team and featuring twenty original poems brought together local and provincial history in celebration of the province’s sesquicentennial;
- “The Art of Still: the Beauty and Technology of Glass Plate Photography”. A strongly curated and uniquely beautiful art exhibit that also explored the technology of glass plate photography;
- “25 Years of Nuuchaltnulth Faces Places and Culture: Photographs by Bob Soderlund”, produced by the AVM in partnership with Tseshaht curators in 2007, traveled in 2008 to Bamfield, Tofino and Campbell River.

The Museum continues an active program of collection, documentation and accessibility of local:

- A large exhibition on the history of agriculture and land use in the Alberni Valley presented as a major focus for the Fall Fair was funded through BC 150;
- The George McKnight series of local history cable television programs were preserved catalogued and three vignettes produced for web access.

The museum pursues a mix of retail sales, programs and events, fee for service and grant applications to earn revenue for special projects and operations:

- Operating funds received from BC Arts Council and Provincial grants funded two projects;
- “Vintage Valley: High Tea and Fashion” produced by volunteers for a sold out crowd was a successful fund raiser.

Museum staff produced exhibits and programs at the 4 heritage attractions to strengthen the community’s tourism product.

McLean Mill National Historic Site

Overall attendance at the McLean Mill and Alberni Pacific Railway was 16,500, an increase of 13% over the previous year. Admission revenue was up 8%, and lumber sales/custom wood cutting was up over 50%. A total of 31 special event days occurred in 2008, five more than 2007. New for 2008 was the Festival of Christmas Lights – which at-

tracted over 1,400 guests over three week-ends. Other special events included; Pride Train, Captains Reception, and Waterfront Runs (Festival of Tall Ships), Barclay Lodge (Masonic Lodge), and the Port Alberni Geo-Cathalon (geo-caching event).

Celebrity Cruises, which dock in Nanaimo, contracted the McLean Mill for five shore excursions providing additional revenue and exposure to our export ready product. As well the site hosted three weddings. Volunteers have been, and continue to be, a significant component of the Mill’s success. In 2008 volunteers donated an estimated 8,250 hours through a variety of activities and events including; train operation, building and equipment restoration, retail operation, catering, and assistance with the Special Events.

Alberni Pacific Railway (train) projects included: train platform (Barclay Best Western Hotel) – new construction, repairs to the Argyle Street crossing, and the acquisition and repair of a High-rail truck (maintenance of way equipment). Mill projects included; steam donkey sled rebuild, Millwright’s shed roof replacement, and the Visitor Reception Centre courtyard expansion.

2008 Works Program

Each year a number of capital projects are undertaken to maintain and improve the City’s infrastructure. In 2008 street projects included 8th Ave. from China Creek to Montrose Street, and the south side of Argyle Street from Kingsway to 1st Ave. Two projects in South Port diverted storm water from our combined sewer system to help with flooding that has been occurring during severe weather events. Improvements were also made to our water distribution network, replacing mains and decreasing the number of dead end mains in the network. Main waterline extensions were done on 21st Ave and Beaver Cr. Road. The main sewage pump station for the south side of the City at Argyle Street was replaced with the assistance of a Federal/Provincial infrastructure grant. A Way-finding Sign Plan was completed over the City and a revitalization project was completed in the Uptown area of 3rd Ave.

Policing

The City of Port Alberni and adjoining rural areas are policed by the Royal Canadian

Mounted Police (RCMP) under contract from the Province of British Columbia and the Federal Government. The mandate of the RCMP is the enforcement of Federal, Provincial and Municipal law. The Port Alberni Detachment area encompasses some 1,528 square miles of west-central Vancouver Island. The Detachment area includes the traditional territories of the Hupacasath, Tseshaht and Uchucklesaht First Nations, as well as the summer tourist destinations of Sproat Lake and Great Central Lake. The total area population served by Port Alberni Detachment is approximately 30,000 full-time residents, plus summer tourism increases.

Port Alberni Detachment provides policing services along three business lines or contracts – Municipal, Provincial and First Nations Policing. The municipal policing service includes disciplines such as General Duty Investigations, Drug Enforcement, Major Crimes, Police Dog Service, Forensic Identification, Traffic Enforcement, School Resource Officer and Police based Victim Services. Our Community Policing Program engages volunteers whom have donated more than 10,000 hours in support of policing initiatives.

In October 2008 the detachment marked the first anniversary of the Crime Reduction Strategy which began in late 2006. The strategy provided some excellent results in reducing property crime types, one by as much as 53% (theft from Motor Vehicle). The RCMP was challenged with some special security events in 2008. The 2008 Tall Ships Festival and the Under 17 World Hockey Championship were two events that captured both regional and world attention to the community. As well as the unique events, the RCMP managed public safety at our three popular annual events of the Salmon Festival, Thunder in the Valley and the Fall Fair. In May, 2008 the local detachment re-introduced the popular and effective bike patrols.

The RCMP responded to a combined business line total of 14,341 calls for service in 2008. There were 2155 prisoners incarcerated in detachment cells. The number of reported criminal offences in the City of Port Alberni was 4,595. There were reductions in both calls for service and reported criminal offences in 2008 over the previous year.

Municipal Infrastructure

The City of Port Alberni provides a wide range of services to the public as outlined below:

Roads & Transportation

The City road network consists of approximately 150 km of paved roadways. From a service capacity perspective almost all roads are adequate to handle current traffic volumes. The majority of roads in Port Alberni are in excess of forty years old and in many areas reconstruction of original road surfaces is required. Road rehabilitation has been identified as a priority for Capital spending within the next five years.

The City has a pavement management system initiated in the mid 1980's which is used to help with selection of streets to be reconstructed and selection of maintenance strategies to extend the life of existing roads. In recent years the City has expanded the pavement maintenance strategies used to include crack sealing, sand sealing, and chip sealing as well as asphalt recycling.

There are a total of 9 bridges, in the City of varying age and type. Five are vehicular traffic bridges and four are pedestrian bridges. Most of the vehicular traffic bridges date from the 1950's. All bridges were structurally evaluated in 1986 and found to be generally in good condition. One bridge was redecked in

1991 and another bridge was repainted in 1994.

Future growth of the City will likely require installation of an additional bridge crossing Roger Creek at 21st Avenue or 10th Avenue.

Waterworks

The City of Port Alberni obtains water from China Creek and Bainbridge Lake and has an intake on the Somass River for use during peak demands. In addition, the City has a storage dam located on Lizard Lake, which is a tributary to China Creek.

The state of the waterworks infrastructure is quite good. Considerable investment has been made in the last decade to upgrade waterworks facilities. A new reservoir and pumpstation were constructed in Northport in 1986 and all other reservoirs were lined and covered in the 1980's. Still of concern are some supply main trestles from the China Creek supply and the need for additional mains linking the north side and south side distribution systems.

The condition of the City's 150 km of watermain appears to be generally good, however, the condition of asbestos cement mains is being monitored for structural problems.

Future growth of the City will require the development of a new water source due to lack of volume in our China Creek and Bainbridge sources. The City and Regional District are jointly investigating development of a new regional source from Great Central Lake. Water meter installation was com-

plete in 2002. This will help reduce peak consumption periods and postpone construction of a new water source.

Sewerage and Drainage

The City's sanitary sewer utility provides service to approximately 98% of the residences and developments within the City. The collection system in the south portion of the City is largely combined resulting in combined sewer overflows during rainfall events. The collection system in the northern part of the City is separate. Sewage from the whole City is pumped via 5 pumpstations to an aeration lagoon located on the south side of the Somass River. The treatment facility produces effluent well within current permit parameters. Biosolids removal from the lagoon was undertaken in 2004.

Much of the collection system dates from before the 1950's and television inspection indicates that the general condition is fair. Some particular areas have serious pipe deterioration and root intrusion and infiltration problems which will be focused on in upcoming Capital Spending Programs.

Continuing inspection will likely reveal more problem areas. Sewer twinning in combined areas is also focused upon with the objective of reducing combined sewer overflows. The City drainage system includes outlets into the Alberni Inlet and Somass River as well as into several creeks within the City boundaries.

Municipal Infrastructure (Cont'd)

Solid Waste

The City operates a commercial dumpster type collection service as well as residential collection. Solid waste is taken to the Alberni Valley Landfill operated by the Regional District of Alberni Clayoquot.

The City also operates a drop-off depot for recyclables within the City located in the downtown area

Cemetery

The City operates and maintains the Greenwood Cemetery. This is the largest of the three cemeteries located in the area.

City Hall

The Port Alberni City Hall located at 4850 Argyle was constructed in 1958.

City Hall houses the City Council Chambers and Committee Rooms, as well as the General Administrative Offices on the main floor. The Engineering Department administration and technical offices are located on the lower floor.

Fire Hall

Port Alberni has one fire hall constructed in 1967 located at 3699 - 10th Avenue.

This building houses the City's Fire Department consisting of 21 fire fighters, four fire trucks and an emergency rescue vehicle. Seismic upgrading of the fire hall concluded in 2000.

Public Safety Building

The new Public Safety Building located at 4444 Morton Street was completed in the fall of 2006. This new facility provides a safe, efficient and modern building which will adequately house our RCMP detachment for many years to come. This \$6 million project was financed through City reserve funds and borrowing.

Works Yard Complex

The Works Yard Complex is located at 4150 - 6th Avenue and was constructed in 1966.

This complex houses the public works, parks operations, stores, purchasing and related offices. Approximately 65 employees are dispatched from the various shops including water, sewer, streets, parks, facilities, and mechanical. A fleet of about 130 vehicles and pieces of equipment is maintained in the works yard mechanical shop.

Echo ' 67 Centre

Opened in 1967 as a Canada Centennial project and a celebration of the amalgamation of the Cities of Alberni and Port Alberni, Echo '67 Centre is the hub of community activity in the Alberni Valley. A most versatile facility, Echo Centre contains six meeting and activity rooms ranging in capacity from 33 to 133 persons. Three of these areas can combine into a large banquet, social, conference setting capable of hosting groups as large as 332 persons. Two well-equipped kitchens are adjacent. The Centre also contains 2 craft studios, a branch of the Vancouver Island Regional Library, the Alberni Valley Museum and Echo Aquatic

Centre. The Aquatic Centre itself is a major hub of activity, providing a 25 metre pool, a shallow pool, a tots pool, whirlpool, 2 saunas and a fitness studio. Besides public swimming and swim lesson programs, the Aquatic Centre is home to the Tsunami Swim Club.

Community Arena

The Alberni Valley Multiplex facility was approved in a referendum held in November 1999. It was a \$6.5 Million dollar project which saw Alberni Valley residents commit to pay \$5 Million through taxation, while the Arena Society covered the remaining \$1.5 Million through an incredible fund raising campaign. As the project developed, the value of the facility increased to more than \$7.4 Million due mainly to improvements supported by additional fund raising initiatives by the Arena Society. One of the most significant improvements was the purchase and installation of 1,500 stadium style seats in the Weyerhaeuser Arena. To date, the Arena Society has generated more than \$2.4 Million in direct and in-kind contributions from 140 corporations, local businesses and community organizations.

The main features of the Alberni Valley Multiplex include:

- 2 regulation size ice surfaces
- Seating for 1,500 on the main ice arena – stadium style seats
- Four dressing rooms for each ice surface plus a female changing room and a Junior A hockey team room for the Alberni Valley Bulldogs.
- Fully accessible facility – including all change rooms, upper and lower lounge areas and main arena viewing. An elevator gives

Municipal Infrastructure (Cont'd)

access to upper level viewing for wheelchair spectators.

- Heated viewing and food service lounge that overlooks both ice surfaces.
- A sizeable sun deck in the upper lounge which gives a spectacular view of the Alberni Valley and some of the adjacent playfields.

The facility is equipped with a good sound system, acoustic panels in the ceiling of both ice surfaces and over ice flooring panels.

Glenwood Sports Centre

This is a major multi-purpose facility adjacent to both the Fall Fair Grounds and Bob Dailey Stadium, field and athletic track. With its very large floor space, Glenwood Centre accommodates regular public roller blade sessions, a batting practice cage, indoor tennis practice courts and a multitude of dances, socials and community annual special events. Those events range from exhibitions and dog shows, to Fall Fair exhibits.

Gyro Youth Centre

The Centre houses a large activity area for teens, seniors, and other groups as well as rooms for pool tables and a carpentry workshop. A Teen Health Clinic operates in the lower level of the Centre.

Bob Dailey Stadium

Opened for the City of Port Alberni's hosting of the 1992 B.C. Summer Games, this stadium is the "jewel" of our outdoor recreation facilities. This 400 metre synthetic surface track is complemented by

an infield suitably sized for sports such as soccer, football, field hockey, etc. Areas for high jump, javelin, shot put and pole vault events are part of this stadium facility. To top it all off, a magnificently designed wooden grandstand with a seating capacity of 650 overlooks the track and the field, with Mount Arrowsmith providing a grandiose backdrop to the setting.

Echo Park and Fieldhouse

Echo Park is our major community outdoor recreation complex. It contains three junior baseball fields, six softball diamonds which accommodate soccer fields as well in the fall and winter season, two slow-pitch fields and a skateboard park. Central to these playing fields is the Echo Park Fieldhouse. This facility consists of a lounge/meeting area for up to 60 people, a kitchen/concession area beside the lounge, an outdoor patio/terrace area off the lounge, public washrooms, storage rooms as well as change rooms and an officials room.

Alberni Harbour Quay

The "Quay" is Port Alberni's park-marketplace by the sea. This facility is now managed by the Parks and Recreation Department. The area includes shops, charter services, seasonal booths and retail marketplace, which together generate revenues, strategically set in a park made up of a picnic area, lawn, Shipwreck Playground, spray pool and the clocktower. The centrepiece of the site is the Babe Gunn "Life Cycle of the Pacific Salmon" stone sculpture in a central fountain.

The "Quay" annually plays host to a number of community events such as the *Harbour Day*, the *Farmer's Market* and the colourful *Harbour Quay Marine Sailpast* at Christmas time.

Municipal Computer System

The municipality operates an I.B.M. AS/400 domain controller with 5 servers, 112 workstations, 136 network users and 90 e-mail users on a local area network running Windows XP.

Systems in place as of December 2000 are: purchasing, general ledger, inventory, accounts payable, maintenance management, payroll/human resources, business license, cash and accounts receivable, taxation, utilities, animal license, parking ticket, request for service, elections, G.I.S., and program registration, publishing, scheduling, spreadsheet and data base functions. The main computing system is kept up-to-date using the Equipment Replacement Fund.

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CITY OF PORT ALBERNI

SUMMARY OF SERVICES AND REGIONAL RELATIONSHIPS

The City is responsible for the provision of a wide variety of local government services. These include:

- Transportation network (roads, bridges, street cleaning, sidewalks, street lighting, etc. - except the Alberni Highway (#4) which is a Provincial Government responsibility).
- Drainage
- Sanitary Sewer Collection System
- Garbage Collection
- Waterworks Distribution and Collection System
- Parks
- Recreation and Cultural Facilities Programs
- Library Facilities
- Land Use Planning
- Police and Fire Protection
- Building Permits
- Business Licensing
- Domestic Animal Control
- Bylaw Establishment and Enforcement
- Emergency Preparedness
- Public Transit
- Heritage

Typical local government services that are not an assumed responsibility of the City of Port Alberni include:

- School System (Provincial Government and Local School Board)
- Social and Health Programs (Provincial Government)
- Hospital Care Systems (Provincial Government)
- Real Property Assessments (Provincial Government)
- Sanitary Landfill (Alberni-Clayoquot Regional District)
- Employee Pension Plan (Provincial Plan)
- Debt Marketing (Municipal Finance Authority)
- Flood Control (Provincial Government)
- Library Collection and Distribution System (Vancouver Island Regional Library)

The City of Port Alberni is represented on the following Regional Boards which provide a variety of services for the residents of Port Alberni:

Alberni-Clayoquot Regional District

Provides landfill operations and debt placement on behalf of Port Alberni through the Municipal Finance Authority

Vancouver Island Health Authority

Provides Regional Hospital Planning input to the Provincial Government on the Hospital system and raises local capital construction contributions.

Vancouver Island Regional Library

A regionalized library collection and distribution system that provides all of the operational aspects of a library system. The members must provide the local facilities.

City of Port Alberni obtains services from the following intermunicipal organizations:

Municipal Finance Authority

A Provincial organization that provides for marketing, placement and administration of all Municipal debt requirements (except the City of Vancouver). This Authority also operates an investment pool on behalf of Municipalities.

Royal Canadian Mounted Police (R.C.M.P.)

Contract with the Federal Government to provide police services (police officers); the municipality provides the clerical support services, custodial guards, and facilities.

B.C. Society for the Prevention of Cruelty to Animals (B.C.S.P.C.A.)

Contract to provide domestic animal pound and shelter and to operate a large animal pound as required.

Alberni Valley Chamber of Commerce

Contract to provide tourism information to the general public.

Alberni Valley Tourism

A destination tourism marketing organization to promote the Alberni Valley's attractions and events to potential visitors.

The City of Port Alberni issues the property tax notices and acts as a collection agent for all property taxes.

(A) The following organizations' property tax levies are contained on the Municipal Property Tax Notice, however the Municipal Council does not have control or responsibility over their levy rates, expenditure or operation:

B.C. Assessment
Municipal Finance Authority
Provincial Government School System(Residential and Non-Residential)

(B) The following organizations' levies are contained on the Municipal Property Tax Notice, however the Municipal Council does not have control or responsibility over their levy, expenditure or operation, except as a voting member:

Alberni-Clayoquot Regional District
Alberni-Clayoquot Regional Hospital District
Vancouver Island Regional Library

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CITY OF PORT ALBERNI
BUDGET PROCESS AND TIMING

BUDGET PROCESS FOR THE YEAR 2008

Bill 88, passed in the fall of 2000, requires municipalities to prepare a 5 Year Financial Plan which is adopted annually by bylaw before May 15. The Plan may be amended at any time by bylaw. Each year, the Financial Plan from the previous year remains in place until the Plan for the current year is adopted. As part of the Plan process, Council must undertake a process of public consultation regarding the Financial Plan before it is adopted. The Community Charter does not specify the format of the public consultation process and it may be varied at Council's discretion to suit the local community.

The year 2008 budget activities began with a public consultation process on the 5 year plan in the form of a public round table discussion held at Echo Centre in late October, 2007. In the months following the round table discussion City Council reviewed the input received both during the round table and subsequent submissions. In January and February, 2008 Council received presentations from paper and lumber industry companies and the unions as well as City staff on departmental budgets. This was followed by an overview and discussion of tax rate scenarios. Council then provided direction for the 2008-2012 5 year plan. The 5 year plan Bylaw #4689 was adopted March 25, 2008.

The 5 year plan Bylaw #4689 was amended by Bylaw #4709 which was adopted December 22, 2008.

**CITY OF PORT ALBERNI
SOURCE AND USE OF CAPITAL FUNDING**

GENERAL GOVERNMENT:

Computer hardware and software	\$ 45,656	
Office furniture	3,917	
Video monitors	<u>3,128</u>	\$ 52,700

FIRE PROTECTION:

Mobile computer aided dispatch	19,830	
Portable radios	11,278	
Small capital equipment/furnishings	1,846	
Scott mask voice amplifiers	3,354	
Weighted training mannequin	<u>2,003</u>	38,311

POLICE PROTECTION:

Office furniture/equipment upgrades	<u>2,089</u>	2,089
-------------------------------------	--------------	-------

PUBLIC WORKS:

Public works equipment	106,740	
Paving and road reconstruction:		
Argyle St – Kingsway St to 1 st Ave	204,838	
Bute St – 15 th Ave to 17 th Ave	83,798	
Redford St – 7 th Ave to 9 th Ave	102,655	
8 th Ave – China Creek Rd to Montrose St	395,576	
Road resurfacing	186,272	
Storm Drain Construction:		
16 th Ave & Montrose St diversion	35,706	
Bruce St – 10 th Ave to Anderson Ave	215,003	
8 th Ave – China Creek Rd to Montrose St	111,419	
Other:		
Works yard equipment shed	76,878	
Sign plan implementation	77,410	
Bus shelters	72,357	
Work-in-progress – Cherry Creek Rd at Mulhern Rd	1,810	
Work-in-progress – Uptown revitalization	<u>549,681</u>	2,220,143

**CITY OF PORT ALBERNI
SOURCE AND USE OF CAPITAL FUNDING**

CULTURAL SERVICES:

McLean Mill – mill development	\$ <u>19,874</u>	\$ 19,874
--------------------------------	------------------	-----------

PARKS AND RECREATION:

Facilities equipment	31,353	
Echo library renovations	21,793	
Museum upper roof	45,863	
Klitsa fieldhouse roof	18,417	
Multiplex lighting upgrades	99,561	
Parks equipment replacement	21,969	
Work-in-progress – Harbour Quay Spirit Square	100,025	
Work-in-progress – facility upgrades	<u>90,051</u>	429,032

WATER SYSTEM:

Equipment	4,364	
Distribution system	<u>2,214,369</u>	2,218,733

SEWER SYSTEM:

Sewer system equipment	7,211	
Sewer system	264,244	
Work-in-progress – Sewer system	<u>1,037,435</u>	<u>1,308,890</u>

\$ 4,871,873

SOURCE OF FUNDING

Revenue Funds	\$ 2,377,522	
Land Sale Reserve	21,793	
Equipment Replacement Reserve Fund	152,475	
Capital Reserves	768,678	
Government Grants	1,166,667	
Borrowing	-	
Contributed by Others	<u>43,724</u>	
	\$ 4,530,859	
Unfunded Work-In-Progress	<u>251,113</u>	
	\$ <u>4,871,873</u>	

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FINANCIAL SECTION

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**CITY OF PORT ALBERNI
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DECEMBER 31, 2008**

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CERTIFIED GENERAL ACCOUNTANTS
MANAGEMENT CONSULTANTS

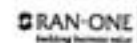
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5155 ARGYLE STREET
PORT ALBERNI BC CANADA V9Y 1V3

AUDITOR'S REPORT

T 250.724.5717
F 250.724.5155

To: Mayor and Councillors
City of Port Alberni

 CRAN-ONE | member
Building business value

We have audited the consolidated statement of financial position of the City of Port Alberni as at December 31, 2008 and the consolidated statements of financial activities, changes in financial position, current fund operations, capital fund operations and reserve fund operations 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 financial statements present fairly, in all material respects, the financial position of the City of Port Alberni as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles and the concepts for local governments described in Section 1700 of the CICA Public Sector Accounting Handbook.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 13 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material aspects, in relation to the consolidated financial statements taken as a whole.


CERTIFIED GENERAL ACCOUNTANTS

Port Alberni, B.C.
April 7, 2009

ROBERT J. DUNCAN* CGA CMA

DONALD H. JONES* BCOM CGA CMA

DEBRA NIXON BACS CGA CMA
ASSOCIATE

MARNIE DUBETA BBA CGA
ASSOCIATE

* DENOTES PROFESSIONAL CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (STATEMENT A)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	<u>2008</u>	<u>2007</u>
FINANCIAL ASSETS:		
Cash and short term investments (Note 2)	\$ 20,232,991	\$ 18,460,419
Accounts receivable (Note 4)	2,840,367	2,379,383
Inventory for resale (Note 2)	<u>62,328</u>	<u>18,261</u>
	<u>23,135,686</u>	<u>20,858,063</u>
FINANCIAL LIABILITIES:		
Accounts payable and accrued liabilities (Note 6)	4,414,725	3,756,788
Deferred revenue (Note 7)	1,682,479	1,194,353
Refundable deposits	170,576	288,309
Debenture debt (Note 8, Schedule 4)	<u>4,290,931</u>	<u>4,497,715</u>
	<u>10,558,711</u>	<u>9,737,165</u>
NET FINANCIAL ASSETS AND LIABILITIES	<u>12,576,975</u>	<u>11,120,898</u>
PHYSICAL ASSETS:		
Inventory of supplies (Note 2)	451,776	493,191
Prepaid expenses	39,865	5,258
Capital assets (Note 2, Schedule 1)	<u>144,644,982</u>	<u>139,863,005</u>
	<u>145,136,623</u>	<u>140,361,454</u>
NET POSITION	<u>\$ 157,713,598</u>	<u>\$ 151,482,352</u>
MUNICIPAL CAPITAL:		
Equity in physical assets (Note 11)	\$ 141,044,835	\$ 136,062,881
Capital fund	(1,711,697)	(1,466,808)
Operating fund	6,587,452	6,553,497
Reserve accounts (Schedule 13)	2,546,427	2,747,119
Reserve fund	<u>9,246,581</u>	<u>7,585,663</u>
MUNICIPAL POSITION	<u>\$ 157,713,598</u>	<u>\$ 151,482,352</u>

Ann Hopkins
Director of Finance

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (STATEMENT B)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
REVENUE:			
Taxes (Schedule 5)	\$ 18,083,126	\$ 18,067,120	\$ 17,994,649
Sale of services (Schedule 10)	7,158,643	8,114,570	7,849,187
Other revenue from own sources (Schedule 11)	1,021,948	752,650	922,471
Investment income	199,980	615,181	771,636
Grants (Note 10)	4,896,332	2,842,408	2,111,178
Parkland dedication deposits	-	15,500	20,382
Sale of property and equipment	-	1,162,042	386,936
	<u>31,360,029</u>	<u>31,569,471</u>	<u>30,056,439</u>
EXPENDITURE:			
General government (Schedule 6)	3,140,848	3,716,753	3,006,381
Protective services (Schedule 7)	8,546,744	7,593,914	7,707,451
Transportation services (Schedule 8)	5,161,253	5,698,798	4,710,511
Environmental health services	1,358,059	1,336,688	1,249,788
Environmental development	595,800	497,513	501,682
Recreation and cultural services (Schedule 9)	8,616,106	6,818,923	7,742,000
Interest	254,607	238,727	240,598
Debt reserve	28,180	2,304	2,266
Water utility (Schedule 12)	5,488,244	1,827,543	2,388,212
Sewer utility (Schedule 12)	2,247,930	2,247,639	1,552,827
Cost of sales and service	-	134,591	48,313
	<u>35,437,771</u>	<u>30,113,393</u>	<u>29,150,029</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(4,077,742)	1,456,078	906,410
Debt financing	<u>80,608</u>	<u>(206,785)</u>	<u>(198,715)</u>
CHANGE IN CONSOLIDATED FUND EQUITY	(3,997,134)	1,249,293	707,695
Fund equity - beginning of year	<u>15,419,471</u>	<u>15,419,471</u>	<u>14,711,776</u>
FUND EQUITY - END OF YEAR	<u>\$ 11,422,337</u>	<u>\$ 16,668,764</u>	<u>\$ 15,419,471</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (STATEMENT C)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	<u>2008</u> <u>Actual</u>	<u>2007</u> <u>Actual</u>
CASH PROVIDED BY (USED FOR) OPERATIONS:		
Excess of revenue over expenditures for the year	\$ 1,456,078	\$ 906,410
Add: Capital asset purchases expensed	<u>4,781,978</u>	<u>4,871,873</u>
Cash provided by operations	<u>6,238,056</u>	<u>5,778,283</u>
Changes in working capital balances		
Accounts receivable	(460,984)	(192,965)
Inventory for resale	(44,067)	29,162
Accounts payable and accrued liabilities	657,937	(264,831)
Deferred revenue	488,126	(686,126)
Refundable deposits	<u>(117,733)</u>	<u>(183,401)</u>
	<u>6,761,335</u>	<u>4,480,122</u>
CASH PROVIDED BY (USED FOR) FINANCING:		
Debenture debt proceeds/repayment	<u>(206,785)</u>	<u>(198,715)</u>
	<u>(206,785)</u>	<u>(198,715)</u>
Capital asset purchases	<u>(4,781,978)</u>	<u>(4,871,873)</u>
INCREASE (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	1,772,572	(590,466)
Cash and short term investments - beginning of year	<u>18,460,419</u>	<u>19,050,886</u>
CASH AND SHORT TERM INVESTMENTS - END OF YEAR	\$ <u>20,232,991</u>	\$ <u>18,460,419</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CURRENT FUND OPERATIONS (STATEMENT D)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
REVENUE:			
Taxes (Schedule 5)	\$ 18,083,126	\$ 18,067,120	\$ 17,994,649
Sales of services	7,158,643	7,269,126	7,172,952
Other revenue from own sources	572,048	673,918	644,499
Investment income	199,980	289,616	360,809
Provincial grants	<u>913,000</u>	<u>1,293,094</u>	<u>764,336</u>
	<u>26,926,797</u>	<u>27,592,874</u>	<u>26,937,245</u>
EXPENDITURE:			
General government	2,994,948	3,664,053	2,908,402
Protective services	8,027,644	7,553,514	7,521,304
Transportation services	3,088,522	3,510,684	3,441,824
Environmental health services	1,358,059	1,336,689	1,249,790
Environmental development	595,800	497,513	501,682
Recreation and cultural services	6,310,706	6,347,898	6,127,811
Interest	254,607	238,727	240,598
Debt reserve	28,180	2,304	2,266
Water utility	1,262,800	1,104,649	1,244,120
Sewer utility	<u>923,130</u>	<u>940,795</u>	<u>992,047</u>
	<u>24,844,396</u>	<u>25,196,826</u>	<u>24,229,844</u>
EXCESS OF REVENUE OVER EXPENDITURE	2,082,401	2,396,048	2,707,401
Transfers from (to) reserve accounts	812,808	332,599	(138,624)
Transfers to capital accounts	(3,644,643)	(2,503,300)	(1,618,388)
Debt repayment	<u>(244,392)</u>	<u>(191,392)</u>	<u>(191,392)</u>
CHANGE IN FUND EQUITY	(993,826)	33,955	758,997
Fund equity - beginning of year	<u>6,553,497</u>	<u>6,553,497</u>	<u>5,794,501</u>
FUND EQUITY - END OF YEAR	<u>\$ 5,559,671</u>	<u>\$ 6,587,452</u>	<u>\$ 6,553,498</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF CAPITAL FUND OPERATIONS (STATEMENT E)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
REVENUE:			
Other revenue from own sources	\$ 449,900	\$ 45,242	\$ 102,245
Investment income	-	6,230	7,304
Provincial grants	<u>3,983,332</u>	<u>1,180,541</u>	<u>1,074,848</u>
	<u>4,433,232</u>	<u>1,232,013</u>	<u>1,184,397</u>
EXPENDITURE:			
General government	145,900	52,701	97,977
Protective services	519,100	40,400	186,147
Transportation services	2,072,731	2,188,114	1,268,687
Recreation and cultural services	2,305,400	471,024	1,614,190
Water utility	4,225,444	722,894	1,144,091
Sewer utility - capital	<u>1,324,800</u>	<u>1,306,845</u>	<u>560,780</u>
	<u>10,593,375</u>	<u>4,781,978</u>	<u>4,871,872</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	(6,160,143)	(3,549,965)	(3,687,475)
DEBT REPAYMENT AND TRANSFERS BETWEEN FUNDS			
Transfers from reserve accounts	2,190,500	817,168	1,773,885
Transfers from current funds	3,644,643	2,503,300	1,618,388
Debt financing/repayment	<u>325,000</u>	<u>(15,392)</u>	<u>(7,323)</u>
	<u>6,160,143</u>	<u>3,305,076</u>	<u>3,384,950</u>
CHANGE IN FUND EQUITY	-	(244,889)	(302,525)
Fund equity - beginning of year	<u>(1,466,808)</u>	<u>(1,466,808)</u>	<u>(1,164,283)</u>
FUND EQUITY - END OF YEAR	<u>\$ (1,466,808)</u>	<u>\$ (1,711,697)</u>	<u>\$ (1,466,808)</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PORT ALBERNI
CONSOLIDATED STATEMENT OF RESERVE FUND OPERATIONS (STATEMENT F)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Actual</u>	2007 <u>Actual</u>
REVENUE:		
Services provided to other governments	\$ 845,444	\$ 676,235
Other revenue from own sources	27,259	-
Investment income	319,336	403,523
Grants	368,773	271,994
Parkland dedication deposits	15,500	20,382
Sale of property and equipment	<u>1,162,042</u>	<u>386,936</u>
	<u>2,738,354</u>	<u>1,759,070</u>
EXPENDITURE:		
Cost of land sales and service	<u>134,591</u>	<u>48,313</u>
EXCESS OF REVENUE OVER EXPENDITURE	2,603,763	1,710,757
Transfer to capital funds	<u>(942,845)</u>	<u>(1,793,605)</u>
CHANGE IN FUND EQUITY	1,660,918	(82,848)
Fund equity - beginning of year	<u>7,585,663</u>	<u>7,668,511</u>
FUND EQUITY - END OF YEAR	\$ <u>9,246,581</u>	\$ <u>7,585,663</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

1. General

The City of Port Alberni is incorporated under the provisions of the British Columbia Community Charter. The activities of the corporation are carried out through the following funds: General Revenue Fund, General Capital Fund, Reserve Funds, Water Revenue Fund, Water Capital Fund, Sewer Revenue Fund, Sewer Capital Fund. There are no other entities that meet the criteria for inclusion for this financial report.

2. Summary of Significant Accounting Policies

The accounting policies of the corporation conform to generally accepted accounting principles as applicable to British Columbia municipalities. The financial statements have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The following is a summary of the more significant policies:

Basis of Presentation

The City follows the fund basis of 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) **General Revenue Funds** - to account for all financial resources except those required to be accounted for in another fund. The General Revenue Fund is the corporation's operating fund including collection of taxation, administering operations, roads, policing, fire protection etc.
- 2) **Capital Funds** - to account for all capital assets and unfunded work-in-progress of the corporation and offset by long-term debt and investment in capital assets.
- 3) **Reserve Funds** - to account for activities within designated funds established for specific purposes with the approval of the Ministry of Community Development. The funds are governed by bylaws defining their purpose, and are funded primarily by budgetary contributions from the General Revenue Fund plus interest earned on the fund balances.
- 4) **Water and Sewer Funds** - to account for operations that are financed and operated in a manner similar to private business operations, where the intent is that costs of providing the services on a continuing basis be financed or recovered at least partially through user charges.

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Consolidated Financial Statements - the General Revenue Fund, Water Revenue Fund, Sewer Revenue Fund, General Capital Fund, Water Capital Fund, Sewer Capital Fund, Equipment Replacement Reserve Fund, Capital Works Reserve Fund, and Land Sale Reserve Fund belong to one economic entity under control of Municipal Council.

The consolidated financial statements reflect the removal of internal transactions and balances. The Cemetery Trust Fund administered by the City is specifically excluded from the consolidated financial statement.

Basis of Accounting - effective in 1996 all revenues and expenditures are recorded on a full accrual basis using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Revenues are recorded in the period in which the transaction or events occurred that gave rise to the revenues. Expenditures are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.

Revenue Recognition

- 1) **Taxation** - taxes are recognized as revenue in the year they are levied. Taxes may be adjusted by way of supplementary roll adjustments through the BC Assessment appeal process. Levies imposed by other taxing authorities are not included as Taxes for municipal purposes.
- 2) **Sales of services** - charges for water and sewer usage, solid waste collection and recreation programs and admissions are recorded as Sales of services.
- 3) **Other revenue** - included in Other revenue are permit and licence fees as well as fines and penalty charges.
- 4) **Investment income** - the Municipality invests in pooled funds of the Municipal Finance Authority of BC. Earnings of these funds are allocated to the members from time to time based on the market value of the pool. The Municipality recognizes only its share of the realized earnings of the pool. This revenue is recorded as investment income and the amount is added to the cost of the units held. To the extent that financial instruments have no stated rate of return investment income is recognized as it is received.
- 5) **Grants** - are recognized as revenues in the period that the events giving rise to the transfer occur.
- 6) **Sale of property and equipment** - proceeds from the sale of tangible property and equipment are recognized as revenue at the time of the sale.

Investments - investments are described as cash and short-term investments. All investments placed with the Municipal Finance Authority are essentially cash, and are stated at current value.

Inventories - inventories of materials and supplies are valued at cost with an allowance made for damaged or obsolete goods. Inventories for resale are classified as Financial Assets. Inventories of supplies for internal use are classified as Physical Assets and are expensed in the year of acquisition.

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Capital Assets - capital assets acquired or constructed for governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are capitalized in the related capital fund. Capital assets purchased or constructed are recorded at cost. Capital assets donated are recorded at fair market value at the time of the donation. Capital projects are reported as capital assets when they have been funded. Prior to funding, capital projects are reported as work-in-progress.

Amortization - the City does not reflect amortization of capital assets in the financial statements.

Reserve Accounts - reserves for future expenditures are non-statutory reserves, which represent an allocation of revenue for specific purposes.

3. Trust Funds

The City holds trust funds under British Columbia law for the purposes of maintaining a public cemetery. This fund is excluded from the consolidated statement of financial position and was comprised of the following:

	2007				2008
	Balance	Interest	Receipts	Expenditures	Balance
Cemetery Trust	\$ <u>131,026</u>	\$ <u>5,532</u>	\$ <u>3,895</u>	\$ <u>-</u>	\$ <u>140,453</u>

4. Accounts Receivable

	<u>2008</u>	<u>2007</u>
Property taxes	\$ 663,173	\$ 549,949
Federal government	1,515	-
General	<u>2,175,679</u>	<u>1,829,434</u>
	\$ <u>2,840,367</u>	\$ <u>2,379,383</u>

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

5. 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, 2008 the total investment of the Debt Reserve Fund was comprised of:

	<u>2008</u>	<u>2007</u>
General Revenue	\$ 129,483	\$ 127,874
Sewer Revenue	<u>90,925</u>	<u>90,230</u>
	<u>\$ 220,408</u>	<u>\$ 218,104</u>

6. Accounts Payable and Accrued Liabilities

	<u>2008</u>	<u>2007</u>
Due to senior governments	\$ 24,606	\$ 11,908
Other local governments	37,634	34,224
Trade accounts	2,077,095	1,782,381
Salaries and wages	690,722	782,400
Accrued debenture interest - sewer revenue	14,368	14,368
Accrued employee benefits	<u>1,570,300</u>	<u>1,131,507</u>
	<u>\$ 4,414,725</u>	<u>\$ 3,756,788</u>

Employee future benefits:

The City provides benefits for sick leave, vacation pay and certain retirement benefit arrangements to its employees.

a) Retirement benefit payments

The City provides retirement benefits to qualifying employees who cease employment with the City after a specified length of service. Retirement benefits are estimated for individual employees as per the appropriate collective agreement, based on estimated salary costs at the time of anticipated retirements, and discounting expected pay-outs over estimated years of service.

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The retirement liability requires no contribution from the employees.

	<u>2008</u>	<u>2007</u>
Accrued benefit obligation:		
Beginning of year	\$ 451,613	\$ 358,613
Current service cost	39,200	-
Interest cost	27,600	-
Benefits paid	(62,160)	-
ERIP reserve	93,000	93,000
Actuarial loss (gain)	<u>31,947</u>	<u>-</u>
Accrued benefit obligation, end of year	<u>\$ 581,200</u>	<u>\$ 451,613</u>

b) Accrued vacation liability as at December 31, 2008 **\$ 933,100** **\$ 679,894**

c) Accumulated sick leave liability

The City provides benefits for sick leave to all its employees. Employees in the classification of CUPE and Firefighter accumulate sick leave on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Sick leave is accumulated to a maximum as determined by the appropriate collective agreement. Sick leave for management employees does not accumulate. At December 31, 2008 this liability is estimated at \$56,000 (2007 - \$0)

d) Employee benefit obligations:

	<u>2008</u>	<u>2007</u>
Retirement benefits payments	\$ 581,200	\$ 451,613
Accrued vacation pay	933,100	679,894
Accumulated sick leave	<u>56,000</u>	<u>-</u>
	<u>\$ 1,570,300</u>	<u>\$ 1,131,507</u>

The Employee Benefit Obligations liability was determined by actuarial valuation. The actuarial valuation was performed by AON Consulting Inc. in accordance with sections PS3250 and PS3255 of the Canadian Institute of Chartered Accountants Public Sector Accounting handbook. Actuarial valuations for accounting purposes are performed triennially using the projected accrued benefit cost method. The most recent valuation was completed December 31, 2008. The significant actuarial assumptions adopted in estimating the City's accrued benefit obligation are as follows:

Discount rates	5.50% per annum
Expected future inflation rates	2.25% per annum
Expected wage and salary increases	2.00% per annum

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

7. Deferred Revenue

	<u>2008</u>	<u>2007</u>
Property taxes	\$ 561,423	\$ 520,650
Capital grants	412,274	13,699
Other	284,812	280,128
Federal Gas Tax agreement	<u>423,970</u>	<u>379,876</u>
	<u>\$ 1,682,479</u>	<u>\$ 1,194,353</u>

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 Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Public Transit Agreement funding may be applied towards the cost of designated public transit projects, as specified in the funding agreement.

	<u>2008</u>	<u>2007</u>
Gas Tax Agreement Funds		
Opening balance of unspent funds	\$ 379,876	\$ 317,431
Add: Amounts received during the year	382,808	316,332
Interest earned	27,001	18,107
Less: Amount spent	<u>368,773</u>	<u>271,994</u>
Closing balance of unspent funds	<u>\$ 420,912</u>	<u>\$ 379,876</u>

	<u>2008</u>	<u>2007</u>
Public Transit Agreement Funds		
Opening balance of unspent funds	\$ -	\$ -
Add: Amounts received during year	75,415	-
Interest earned	-	-
Less: Amount spent	<u>72,357</u>	<u>-</u>
Closing balance of unspent funds	<u>\$ 3,058</u>	<u>\$ -</u>

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

8. Debenture Debt

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

The annual principal and interest requirements to maturity as of December 31, 2008 are as follows:

		Principal		Interest		Total
2009	\$	191,392	\$	224,856	\$	416,248
2010		191,392		224,856		416,248
2011		191,392		224,856		416,248
2012		191,392		224,856		416,248
2013		191,392		224,856		416,248

9. Expenditures by Object

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Salaries, Wages and Benefits	\$ 13,868,896	\$ 13,182,262	\$ 13,176,264	\$ 12,705,699	\$ 12,514,875
Debt Servicing	441,613	442,194	295,463	116,275	156,676
RCMP Contract	3,647,928	3,675,691	3,521,447	3,479,214	3,119,857
Grants	146,790	188,509	145,335	105,009	127,342
Other Contracts	858,561	710,688	655,862	616,233	557,550
Goods and Services	<u>14,087,149</u>	<u>13,522,091</u>	<u>18,131,650</u>	<u>13,733,109</u>	<u>9,910,876</u>
	<u>\$ 33,050,937</u>	<u>\$ 31,721,435</u>	<u>\$ 35,926,021</u>	<u>\$ 30,755,539</u>	<u>\$ 26,387,176</u>

CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008

10. Government Grants and Transfers

	<u>2008</u>	<u>2007</u>
Operating Grants		
Federal		
Federal Gas Tax Revenue	\$ <u>11,762</u>	\$ <u>19,721</u>
Provincial		
Revenue Sharing	559,385	535,400
Community Gaming	345,000	-
Museum	66,000	68,982
Transportation	-	1,000
Community Programs	60,816	124,119
Employment Programs	93,544	-
Provincial Emergency Program	113,337	-
Flood Protection Program	<u>13,986</u>	<u>-</u>
	<u>1,252,068</u>	<u>729,501</u>
Local - Regional District of Alberni-Clayoquot		
McLean Mill Grant In Aid	16,026	26,502
Emergency Planning	<u>25,000</u>	<u>8,333</u>
	<u>41,026</u>	<u>34,835</u>
Capital		
Federal		
Federal Gas Tax Revenue	<u>357,011</u>	<u>252,273</u>
Provincial		
Legacies Now	-	214,783
Community Development Initiative	-	856,667
Community Water Improvement	<u>1,166,667</u>	<u>-</u>
	<u>1,166,667</u>	<u>1,071,450</u>
Local - Regional District of Alberni-Clayoquot		
McLean Mill Grant In Aid	<u>13,874</u>	<u>3,398</u>
Total Government Grants and Transfers	\$ <u>2,842,408</u>	\$ <u>2,111,178</u>

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

11. Equity in Physical Assets

Equity in Physical Assets represents the total physical assets less long-term debt assumed to acquire those assets. The change in Equity in Physical Assets is as follows:

	<u>2008</u>	<u>2007</u>
Equity in physical assets - beginning of year	\$ 136,062,881	\$ 131,001,838
Add: Capital expenditures	4,781,978	4,871,873
(Increase)decrease in long-term debt	206,785	198,715
Increase(decrease) in inventory and prepaid	<u>(6,807)</u>	<u>(9,545)</u>
Equity in physical assets - end of year	<u>\$ 141,044,837</u>	<u>\$ 136,062,881</u>

12. Contingent Liabilities

Regional District Debt - debt issued by the Regional District of Alberni Clayoquot is a direct joint and several liability of the District and each member municipality including the City.

Claim for Damages - in the normal course of a year, the Corporation is faced with lawsuits and other claims for damages of diverse nature. At year end, the Corporation's estimated exposure for such liabilities is not considered to be significant. The City carries general liability insurance with a private insurance carrier in the amount of \$2 million, plus an umbrella liability policy in the amount of \$8 million. When claims are paid the expense is charged at the General Government Expense category.

Pension Liability

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted 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 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 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 at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers.

Employer contributions to the Plan for 2008 were \$840,389 (\$824,231 for 2007) and are included in consolidated operating expenditures. Employee contributions for 2008 were \$662,929 (\$664,966 for 2007).

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

13. Tangible Capital Assets

In 2007, PSAB approved a recommendation to require local governments to recognize capital expenditures as capital assets and to amortize them over their expected useful life. This recommendation under PSAB Handbook Section 3150 Tangible Capital Assets applies to all local governments for the fiscal years beginning on or after January 1, 2009.

During 2008, the City of Port Alberni continued to work towards compliance with the new recommendations for accounting for tangible capital assets. The Accounting Guideline 7 (PSG-7) of the PSAB Handbook (effective January 1, 2007) requires the disclosure of tangible capital assets information when a local government has complete information on some of its tangible capital assets categories. As of December 31, 2008, the City's implementation of the PSAB 3150 Tangible Capital Assets was in progress and a full listing and values for any asset categories was not complete. A complete listing of assets and values for land, land improvements, buildings, engineered structures, machinery and equipment and vehicles is currently underway and expected to be completed prior to December 31, 2009.

14. Segmented Information

The City of Port Alberni provides a wide range of services to its citizens including police, fire, recreation, roads, sewer and water. For reporting purposes the City's operations and activities are organized and reported by Fund as described in Note 1. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments that have been separately disclosed in the segmented information, along with the services they provide are as follows:

General government services

General government provides internal support services to Council and other departments who provide direct services to its citizens. General government consists of governance, corporate management and program support. Internal departments include Legislative (Council), City Manager's Office, City Clerk's Department, Financial Services, Information Services and Human Resources.

Protective services - Police, Fire and Building Inspection

The Royal Canadian Mounted Police is Canada's national police service. They are committed to preserving the peace, upholding the law and providing quality service in partnership with Canadian communities and for all Canadian citizens. The mandate of the Port Alberni Fire Department is to provide fire suppression services; fire prevention programs; training and education related to prevention, detection or extinguishment of fires. It is the mandate of the Building Inspection Department to provide building inspection services as set out in the building bylaw for residents and builders. Building inspection services are provided in order to assist residents and builders in constructing projects which meet minimum construction standards.

**CITY OF PORT ALBERNI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

Transportation services

The Public Works Department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, traffic control and street lighting.

Environmental health services

The function of environmental health services is to provide for the collection and disposal of solid waste as well as providing cemetery services to the citizens of Port Alberni.

Environmental development

Environmental development provides services relating to planning, economic development and tourism. The Planning Department develops and administers land use regulations to ensure an orderly and well planned community. Economic Development includes responsibilities for diversification of the economy through business retention, business attraction and marketing key City owned properties.

Recreation and cultural services

The mission of the Parks and Recreation Department is to enrich the quality of life of residents and visitors. The parks, facilities, programs and services are designed and delivered to provide the greatest benefit to the community as a whole. The Museum Department works with the community to collect, document, preserve and present all aspects of the cultural heritage of the Alberni Valley and West Coast of Vancouver Island. Cultural services also contribute towards the information needs of the City's citizens through the provision of library services in partnership with the Vancouver Island Regional Library.

Water utility

The Water Department provides for the supply and treatment of safe drinking water to the citizens of Port Alberni.

Sewer utility

The Sewer Department provides for the collection and treatment of wastewater.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 2. For additional information see Segmented Information (Schedules 2 and 3).

15. Comparative Figures

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.

SUPPORTING SCHEDULES

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CITY OF PORT ALBERNI
CAPITAL ASSETS (SCHEDULE 1)
AT DECEMBER 31, 2008

	Engineering Structures	Buildings	Machinery & Equipment	Land	2008 Total	2007 Total
General Capital Fund						
General Government	\$ -	\$ 849,176	\$ 3,358,639	\$ 77,510	\$ 4,285,325	\$ 4,232,625
Protective Services	-	-	-	-	-	-
Fire department	-	500,658	2,492,018	34,039	3,026,715	2,988,404
Police department	-	6,997,152	230,014	4,153	7,231,319	7,229,229
Pound and pest control	4,448	50,533	16,406	-	71,387	71,386
Transportation Services						
Workshop and yard	-	430,515	6,976,523	67,175	7,474,213	7,290,595
Bridges	130,390	-	-	-	130,390	130,390
Drains, ditches and dykes	7,294,669	-	-	-	7,294,669	6,932,541
Streets, roads, and sidewalks	35,103,337	-	-	-	35,103,337	34,132,232
Off-street parking	210,709	-	-	-	210,709	210,709
River Road flood control	460,007	-	-	-	460,007	460,007
Argyle St. water lot	65,602	-	-	-	65,602	65,602
Tsunami warning system	1,155,800	-	-	-	1,155,800	1,006,032
Environmental Health						
Garbage collection	-	-	1,502,205	1	1,502,206	1,502,206
Public Health						
Health centre	-	310,863	-	4,438	315,301	315,301
Other Services						
Cemetery	-	-	-	240,268	240,268	240,268
Waterfront property	-	-	-	1,370	1,370	1,370
1912 Buick	-	-	3,461	-	3,461	3,461
Emergency measures	-	-	405	-	405	405
Marina	-	-	-	34,084	34,084	34,084
Recreation and Cultural Services						
Arena and curling rink	133,483	9,129,402	244,026	92,524	9,599,435	9,494,737
Swimming pools	20,228	770,060	236,057	41,944	1,068,289	1,042,072
Glenwood centre	-	225,182	69,121	9,945	304,248	304,247
Gyro youth centre	129,995	45,646	19,669	-	195,310	195,309
Echo '67 community centre	-	744,453	373,144	-	1,117,597	1,117,597
Library - museum	-	2,803,474	131,185	116,760	3,051,419	2,983,764
McLean mill	6,888,444	154,703	77,349	-	7,120,496	7,060,936
Parks and playgrounds	5,873,359	1,344,604	1,918,958	1,260,811	10,397,732	10,374,914
Industrial Mall	-	766,375	-	-	766,375	766,375
Alberni Harbour Quay	1,204,547	1,265,131	18,160	75,035	2,562,873	2,562,873
	<u>58,675,018</u>	<u>26,387,927</u>	<u>17,667,340</u>	<u>2,060,057</u>	<u>104,790,342</u>	<u>102,749,671</u>
Sewer Capital Fund						
Collection system	15,586,139	58,028	737,226	125	16,381,518	16,110,063
Water Capital Fund						
Distribution system	10,788,234	-	-	-	10,788,234	10,174,933
Source of supply	10,027,946	128,237	739,446	10,257	10,905,886	9,300,453
	<u>20,816,180</u>	<u>128,237</u>	<u>739,446</u>	<u>10,257</u>	<u>21,694,120</u>	<u>19,475,386</u>
Work-in-progress	-	-	-	-	1,779,002	1,527,884
	<u>\$ 95,077,337</u>	<u>\$ 26,574,192</u>	<u>\$ 19,144,012</u>	<u>\$ 2,070,439</u>	<u>\$ 144,644,982</u>	<u>\$ 139,863,004</u>

Financial Statements

CITY OF PORT ALBERT
 SEGMENTED INFORMATION (SCHEDULE 2)
 FOR THE YEAR ENDED DECEMBER 31, 2008

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental Development	Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Eliminations	Consolidated 2008
Revenue											
Taxes	\$ 18,033,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,534	\$ -	\$ -	\$ 18,067,120
Sales of services	78,115	340,196	330,716	1,223,689	125,580	2,059,389	2,035,533	1,075,907	845,444	-	8,114,569
Other revenue from own sources	546,182	102,525	-	-	-	-	21,151	10,292	72,501	-	752,651
Investment income	287,629	-	872	-	-	-	420	695	325,566	-	615,182
Grants	1,083,745	-	127,323	-	-	95,900	1,166,667	368,773	-	-	2,842,808
Transfer from other funds	90,643	24,000	108,812	-	-	125,778	257,284	481,762	3,328,468	(4,408,747)	-
Other	-	-	-	-	-	-	-	-	1,177,542	-	1,177,542
Total revenue	20,119,900	466,721	567,723	1,223,689	125,580	2,281,067	3,481,055	1,970,963	5,741,521	(4,408,747)	31,569,472
Expenditures											
Operating											
Goods and services	1,116,529	4,373,154	1,284,669	794,481	185,604	2,940,452	487,210	574,077	134,591	-	11,890,747
Labour	2,547,524	3,180,380	2,226,015	542,287	311,909	3,407,446	617,439	366,718	-	-	13,199,638
Transfer to other funds	477,945	40,400	1,063,986	15,000	-	467,992	1,182,666	11,891	942,845	(4,201,825)	-
Debt servicing	15,480	157,278	4,347	-	-	-	-	63,927	-	-	241,032
	4,156,578	7,751,192	4,579,017	1,351,888	497,513	6,815,890	2,287,315	1,016,613	1,077,436	(4,201,825)	25,331,417
Capital											
	52,700	40,400	2,188,114	-	-	471,024	722,894	1,206,845	-	-	4,781,972
Total expenditures	4,209,278	7,791,592	6,767,131	1,351,888	497,513	7,286,914	3,010,209	2,323,438	1,077,436	(4,201,825)	30,113,394
Excess (deficiency) of revenue over expenditures	15,910,622	(7,324,871)	(6,199,408)	(127,999)	(371,933)	(5,005,847)	470,846	(352,495)	4,664,085	(206,922)	1,456,078
Principal/inking fund payments	-	-	5,075	-	-	-	-	117,426	-	-	206,785
New debt issued	-	-	-	-	-	-	-	-	-	-	-
	\$ 15,910,622	\$ (7,409,155)	\$ (6,204,483)	\$ (127,999)	\$ (371,933)	\$ (5,005,847)	\$ 470,846	\$ (469,971)	\$ 4,664,085	\$ (206,922)	\$ 1,249,293

Financial Statements

CITY OF PORT ALBERNI
SEGMENTED INFORMATION (SCHEDULE 2) continued
FOR THE YEAR ENDED DECEMBER 31, 2007

	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental Development	Recreation and Cultural Services	Water Utility	Sewer Utility	Other Funds	Consolidated 2007
Revenue										
Taxes	\$ 17,961,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,708	\$ -	\$ 17,994,650
Sales of services	65,166	398,066	296,617	1,072,631	130,264	2,097,062	2,082,194	1,120,951	636,235	7,849,186
Other revenue from own sources	678,810	112,710	-	-	-	-	23,171	5,514	102,245	922,470
Investment income	338,900	-	1,082	-	-	-	144	683	410,827	771,636
Grants	668,832	-	-	-	-	1,170,332	-	271,994	-	2,111,178
Transfer from other funds	-	630	21,208	-	114,929	102,867	98,838	76,423	3,425,472	-
Other	-	-	-	-	-	-	-	-	487,318	487,318
Total revenue	19,733,670	311,426	318,907	1,072,631	245,193	3,280,261	2,204,347	1,508,273	5,022,097	30,056,438
Expenditures										
Operating										
Goods and services	957,941	4,279,157	1,106,532	726,268	251,007	2,348,714	569,791	585,926	48,313	11,294,146
Labour	1,950,461	3,342,147	2,335,292	523,025	250,675	3,359,097	674,329	406,121	-	12,744,147
Transfer to other funds	147,261	50,377	1,020,897	-	-	534,679	317,956	100,736	1,826,806	13,998,712
Debt servicing	17,324	157,278	4,347	-	-	-	-	63,815	-	242,864
	3,072,987	7,728,959	4,467,068	1,249,290	501,682	6,602,490	1,562,076	1,156,698	1,875,119	34,278,157
Capital	97,078	186,147	1,268,687	-	-	1,614,199	1,144,091	560,780	-	4,871,873
Total expenditures	3,170,065	7,915,106	5,735,255	1,249,290	501,682	8,276,689	2,706,167	1,717,478	1,875,119	29,150,030
Excess (deficiency) of revenue over expenditures	16,562,705	(7,403,680)	(5,416,848)	(177,159)	(256,489)	(4,996,419)	(501,820)	(209,205)	3,146,978	966,408
Principal/inking fund payments	-	81,042	4,833	-	-	-	-	112,840	-	198,715
New debt issued	-	-	-	-	-	-	-	-	-	-
	\$ 16,562,705	\$ (7,484,722)	\$ (5,421,681)	\$ (177,159)	\$ (256,489)	\$ (4,996,419)	\$ (501,820)	\$ (322,045)	\$ 3,146,978	\$ 707,693

CITY OF PORT ALBERNI
SEGMENTED INFORMATION WITH BUDGET INFORMATION (SCHEDULE 3)
FOR THE YEAR ENDED DECEMBER 31, 2008
 (with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
GENERAL GOVERNMENT			
Revenue			
Taxes	\$ 18,050,418	\$ 18,033,586	\$ 17,961,942
Sales of services	79,200	78,115	65,166
Other revenue from own sources	467,948	546,182	678,810
Investment income	180,000	287,629	358,900
Grants	840,000	1,083,745	668,852
Transfer from other funds	100,000	90,643	-
Other	-	-	-
Total revenue	19,717,566	20,119,900	19,733,670
Expenditures			
Operating			
Goods and services	1,051,848	1,116,529	957,941
Labour	1,943,100	2,547,524	1,950,461
Transfer to other funds	6,900	477,045	147,261
Debt servicing	30,800	15,480	17,324
	<u>3,032,648</u>	<u>4,156,578</u>	<u>3,072,987</u>
Capital	<u>145,900</u>	<u>52,700</u>	<u>97,978</u>
Total expenditures	3,178,548	4,209,278	3,170,965
Excess (deficiency) of revenue over expenditures	16,539,018	15,910,622	16,562,705
Principal/sinking fund payments	-	-	-
New debt issued	-	-	-
	<u>\$ 16,539,018</u>	<u>\$ 15,910,622</u>	<u>\$ 16,562,705</u>
PROTECTIVE SERVICES			
Revenue			
Taxes	\$ -	\$ -	\$ -
Sales of services	356,596	340,196	398,066
Other revenue from own sources	77,100	102,525	112,730
Investment income	-	-	-
Grants	-	-	-
Transfer from other funds	24,000	24,000	630
Other	-	-	-
Total revenue	457,696	466,721	511,426
Expenditures			
Operating			
Goods and services	4,654,945	4,373,134	4,279,157
Labour	3,372,699	3,180,380	3,242,147
Transfer to other funds	51,100	40,400	50,377
Debt servicing	157,278	157,278	157,278
	<u>8,236,022</u>	<u>7,751,192</u>	<u>7,728,959</u>
Capital	<u>519,100</u>	<u>40,400</u>	<u>186,147</u>
Total expenditures	8,755,122	7,791,592	7,915,106
Excess (deficiency) of revenue over expenditures	(8,297,426)	(7,324,871)	(7,403,680)
Principal/sinking fund payments	81,042	84,284	81,042
New debt issued	-	-	-
	<u>\$ (8,378,468)</u>	<u>\$ (7,409,155)</u>	<u>\$ (7,484,722)</u>

CITY OF PORT ALBERNI
SEGMENTED INFORMATION WITH BUDGET INFORMATION (SCHEDULE 3) continued
FOR THE YEAR ENDED DECEMBER 31, 2008
 (with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
TRANSPORTATION SERVICES			
Revenue			
Taxes	\$ -	\$ -	\$ -
Sales of services	242,800	330,716	296,617
Other revenue from own sources	-	-	-
Investment income	800	872	1,082
Grants	-	127,323	-
Transfer from other funds	170,928	108,812	21,208
Other	-	-	-
Total revenue	<u>414,528</u>	<u>567,723</u>	<u>318,907</u>
Expenditures			
Operating			
Goods and services	928,339	1,284,669	1,106,532
Labour	2,160,183	2,226,015	2,335,292
Transfer to other funds	1,512,031	1,063,986	1,020,897
Debt servicing	4,347	4,347	4,347
	<u>4,604,900</u>	<u>4,579,017</u>	<u>4,467,068</u>
Capital	<u>2,072,731</u>	<u>2,188,114</u>	<u>1,268,687</u>
Total expenditures	<u>6,677,631</u>	<u>6,767,131</u>	<u>5,735,755</u>
Excess (deficiency) of revenue over expenditures	<u>(6,263,103)</u>	<u>(6,199,408)</u>	<u>(5,416,848)</u>
Principal/sinking fund payments	2,967	5,075	4,833
New debt issued	-	-	-
	<u>\$ (6,266,070)</u>	<u>\$ (6,204,483)</u>	<u>\$ (5,421,681)</u>
ENVIRONMENTAL HEALTH SERVICES			
Revenue			
Taxes	\$ -	\$ -	\$ -
Sales of services	1,169,424	1,223,689	1,072,631
Other revenue from own sources	-	-	-
Investment income	-	-	-
Grants	-	-	-
Transfer from other funds	-	-	-
Other	-	-	-
Total revenue	<u>1,169,424</u>	<u>1,223,689</u>	<u>1,072,631</u>
Expenditures			
Operating			
Goods and services	808,896	794,481	726,765
Labour	549,163	542,207	523,025
Transfer to other funds	-	15,000	-
Debt servicing	-	-	-
	<u>1,358,059</u>	<u>1,351,688</u>	<u>1,249,790</u>
Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,358,059</u>	<u>1,351,688</u>	<u>1,249,790</u>
Excess (deficiency) of revenue over expenditures	<u>(188,635)</u>	<u>(127,999)</u>	<u>(177,159)</u>
Principal/sinking fund payments	-	-	-
New debt issued	-	-	-
	<u>\$ (188,635)</u>	<u>\$ (127,999)</u>	<u>\$ (177,159)</u>

CITY OF PORT ALBERNI
SEGMENTED INFORMATION WITH BUDGET INFORMATION (SCHEDULE 3) continued
FOR THE YEAR ENDED DECEMBER 31, 2008
 (with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
ENVIRONMENTAL DEVELOPMENT			
Revenue			
Taxes	\$ -	\$ -	\$ 130,264
Sales of services	131,483	125,580	-
Other revenue from own sources	-	-	-
Investment income	-	-	-
Grants	-	-	-
Transfer from other funds	64,536	-	114,929
Other	-	-	-
Total revenue	<u>196,019</u>	<u>125,580</u>	<u>245,193</u>
Expenditures			
Operating			
Goods and services	284,571	185,604	251,007
Labour	311,229	311,909	250,675
Transfer to other funds	-	-	-
Debt servicing	-	-	-
	<u>595,800</u>	<u>497,513</u>	<u>501,682</u>
Capital	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>595,800</u>	<u>497,513</u>	<u>501,682</u>
Excess (deficiency) of revenue over expenditures	<u>(399,781)</u>	<u>(371,933)</u>	<u>(256,489)</u>
Principal/sinking fund payments	-	-	-
New debt issued	-	-	-
	<u>\$ (399,781)</u>	<u>\$ (371,933)</u>	<u>\$ (256,489)</u>
RECREATION AND CULTURAL SERVICES			
Revenue			
Taxes	\$ -	\$ -	\$ -
Sales of services	1,929,949	2,059,389	2,007,062
Other revenue from own sources	-	-	-
Investment income	-	-	-
Grants	73,000	95,900	1,170,332
Transfer from other funds	-	125,778	102,867
Other	-	-	-
Total revenue	<u>2,002,949</u>	<u>2,281,067</u>	<u>3,280,261</u>
Expenditures			
Operating			
Goods and services	2,792,096	2,940,452	2,768,714
Labour	3,518,610	3,407,446	3,359,097
Transfer to other funds	173,500	467,992	534,679
Debt servicing	-	-	-
	<u>6,484,206</u>	<u>6,815,890</u>	<u>6,662,490</u>
Capital	<u>2,305,400</u>	<u>471,024</u>	<u>1,614,190</u>
Total expenditures	<u>8,789,606</u>	<u>7,286,914</u>	<u>8,276,680</u>
Excess (deficiency) of revenue over expenditures	<u>(6,786,657)</u>	<u>(5,005,847)</u>	<u>(4,996,419)</u>
Principal/sinking fund payments	-	-	-
New debt issued	-	-	-
	<u>\$ (6,786,657)</u>	<u>\$ (5,005,847)</u>	<u>\$ (4,996,419)</u>

CITY OF PORT ALBERNI
SEGMENTED INFORMATION WITH BUDGET INFORMATION (SCHEDULE 3) continued
FOR THE YEAR ENDED DECEMBER 31, 2008
 (with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
WATER UTILITY			
Revenue			
Taxes	\$ -	\$ -	\$ -
Sales of services	2,102,951	2,035,533	2,082,194
Other revenue from own sources	20,000	21,151	23,171
Investment income	5,475	420	144
Grants	3,983,332	1,166,667	-
Transfer from other funds	413,344	257,284	98,838
Other	-	-	-
Total revenue	6,525,102	3,481,055	2,204,347
Expenditures			
Operating			
Goods and services	587,273	487,210	569,791
Labour	675,527	617,439	674,329
Transfer to other funds	1,892,112	1,182,666	317,956
Debt servicing	5,475	-	-
	<u>3,160,387</u>	<u>2,287,315</u>	<u>1,562,076</u>
Capital	<u>4,225,444</u>	<u>722,894</u>	<u>1,144,091</u>
Total expenditures	7,385,831	3,010,209	2,706,167
Excess (deficiency) of revenue over expenditures	(860,729)	470,846	(501,820)
Principal/sinking fund payments	-	-	-
New debt issued	-	-	-
	<u>\$ (860,729)</u>	<u>\$ 470,846</u>	<u>\$ (501,820)</u>
SEWER UTILITY			
Revenue			
Taxes	\$ 32,708	\$ 33,534	\$ 32,708
Sales of services	1,146,240	1,075,907	1,120,951
Other revenue from own sources	7,000	10,292	5,514
Investment income	13,705	695	683
Grants	-	368,773	271,994
Transfer from other funds	40,000	481,762	76,423
Other	-	-	-
Total revenue	1,239,653	1,970,963	1,508,273
Expenditures			
Operating			
Goods and services	593,713	574,077	585,926
Labour	329,417	366,718	406,121
Transfer to other funds	9,000	11,891	100,736
Debt servicing	84,887	63,927	63,915
	<u>1,017,017</u>	<u>1,016,613</u>	<u>1,156,698</u>
Capital	<u>1,324,800</u>	<u>1,306,845</u>	<u>560,780</u>
Total expenditures	2,341,817	2,323,458	1,717,478
Excess (deficiency) of revenue over expenditures	(1,102,164)	(352,495)	(209,205)
Principal/sinking fund payments	160,383	117,426	112,840
New debt issued	<u>(325,000)</u>	<u>-</u>	<u>-</u>
	<u>\$ (937,547)</u>	<u>\$ (469,921)</u>	<u>\$ (322,045)</u>

CITY OF PORT ALBERNI
SEGMENTED INFORMATION WITH BUDGET INFORMATION (SCHEDULE 3) continued
FOR THE YEAR ENDED DECEMBER 31, 2008
 (with comparative figures for 2007)

	2008 Budget	2008 Actual	2007 Actual
OTHER FUNDS			
Revenue			
Taxes	\$ -	\$ -	\$ -
Sales of services	-	845,444	676,235
Other revenue from own sources	449,900	72,501	102,245
Investment income	-	325,566	410,827
Grants	-	-	-
Transfer from other funds	5,835,143	3,320,468	3,425,472
Other	-	1,177,542	407,318
Total revenue	6,285,043	5,741,521	5,022,097
Expenditures			
Operating			
Goods and services	-	134,591	48,313
Labour	-	-	-
Transfer to other funds	-	942,845	1,826,806
Debt servicing	-	-	-
	-	1,077,436	1,875,119
Capital	-	-	-
Total expenditures	-	1,077,436	1,875,119
Excess (deficiency) of revenue over expenditures	6,285,043	4,664,085	3,146,978
Principal/sinking fund payments	-	-	-
New debt issued	-	-	-
	\$ 6,285,043	\$ 4,664,085	\$ 3,146,978

CITY OF PORT ALBERNI
DEBENTURE DEBT - SCHEDULE 4
ALL FUNDS AT DECEMBER 31, 2008 - SHOWING REQUIREMENTS FOR PRINCIPAL AND INTEREST FOR 2009

Security Issuing Bylaw	Purpose	Original Issue	Amount Outstanding Dec. 31, 2008	Term In Years	Annual Interest Rate	Maturity Date	2009 Requirements Interest	2009 Requirements Principal	Sinking Fund Addition	Debt Reserve Cash Balance
4280 4575	L.I. General	98,120 3,375,064	\$ 50,888 \$ 3,209,738	20 25	4.43% 4.65%	25/09/2016 19/04/2031	4,347 157,278	2,967 81,042	2,362 6,613	\$ 1,997 \$ 37,933
		\$ 3,473,184	\$ 3,260,626				\$ 161,625	\$ 84,009	\$ 8,975	\$ 39,930
4280 4559 4601	L.I. Sewer	147,180 797,642 438,170	\$ 76,331 \$ 590,254 \$ 363,719	20 10 10	4.43% 4.55% 4.65%	25/09/2016 06/04/2015 19/04/2016	6,520 36,293 20,419	4,451 66,436 36,496	3,542 8,296 2,978	\$ 2,996 \$ 9,326 \$ 4,925
		\$ 1,382,992	\$ 1,030,304				\$ 63,232	\$ 107,383	\$ 14,816	\$ 17,247
		\$ 4,856,176	\$ 4,290,930				\$ 224,856	\$ 191,392	\$ 23,791	\$ 57,177

CITY OF PORT ALBERNI
TAX LEVIES and GRANTS IN LIEU OF TAXES (SCHEDULE 5)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
MUNICIPAL PURPOSES:			
Tax Levies:			
General purpose	\$ 17,140,600	\$17,124,791	\$ 17,036,887
Local improvement - streets and drains	186	186	32,894
Local improvement - sewer	32,708	33,534	-
Off-street parking	1,376	4,603	1,376
Utility	126,134	126,134	118,815
Parcel Tax	<u>231,006</u>	<u>231,135</u>	<u>231,006</u>
	17,532,010	17,520,383	17,420,978
 Grants in lieu of taxes	 <u>551,116</u>	 <u>546,737</u>	 <u>573,672</u>
Total Municipal Taxes	<u>18,083,126</u>	<u>18,067,120</u>	<u>17,994,650</u>
 COLLECTIONS FOR OTHER GOVERNMENTS:			
Tax Levies:			
School	6,179,674	6,034,442	6,179,654
Regional hospital	955,726	936,464	955,864
Regional District of Alberni Clayoquot	905,377	943,391	905,409
B.C. Assessment	171,914	179,212	171,928
Municipal Finance Authority	<u>435</u>	<u>354</u>	<u>435</u>
Total Collections For Other Governments	<u>8,213,126</u>	<u>8,093,863</u>	<u>8,213,290</u>
Total Taxes Collected	<u>\$ 26,296,252</u>	<u>\$ 26,160,983</u>	<u>\$ 26,207,940</u>

CITY OF PORT ALBERNI
GENERAL GOVERNMENT EXPENDITURES (SCHEDULE 6)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
Legislative	\$ 141,939	\$ 140,326	\$ 142,996
City manager's office	222,974	205,408	216,262
Municipal clerk's office	338,952	347,676	334,707
Legal and bylaw prosecution services	49,980	92,675	44,012
Financial management	808,200	711,271	654,269
Administration vehicle	9,200	10,762	9,402
External audit	12,880	13,891	16,083
Purchasing	210,165	200,508	208,173
Buildings	98,777	94,023	97,225
Information services	454,260	435,010	426,864
Appraisals	20,000	-	-
Personnel	217,503	221,812	179,363
Election expenses	32,860	25,116	610
Training and development	180,762	171,857	164,117
Damage claims	25,000	25,762	19,236
Donations and grants	16,000	190,666	98,423
Office equipment supplies and printing	271,334	302,325	288,007
Public liability insurance	125,646	116,393	120,539
Other general services	-	600,054	115,345
General government - capital assets	145,900	52,700	97,979
Administration recoveries	<u>(241,484)</u>	<u>(241,484)</u>	<u>(227,230)</u>
	<u>\$ 3,140,848</u>	<u>\$ 3,716,751</u>	<u>\$ 3,006,382</u>

CITY OF PORT ALBERNI
PROTECTIVE SERVICES (SCHEDULE 7)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
Police protection	\$ 5,293,112	\$ 4,949,620	\$ 4,908,101
Fire protection	2,495,580	2,294,968	2,361,713
Emergency measures	2,678	67,686	8,983
Building and plumbing inspections	122,339	126,529	127,043
Animal pound operations	113,935	114,712	115,465
Protective services - capital assets	<u>519,100</u>	<u>40,400</u>	<u>186,147</u>
	\$ <u>8,546,744</u>	\$ <u>7,593,915</u>	\$ <u>7,707,452</u>

**CITY OF PORT ALBERNI
TRANSPORTATION SERVICES (SCHEDULE 8)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)**

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
COMMON SERVICES:			
Engineering administration	\$ 522,075	\$ 479,381	\$ 539,035
Engineering consulting services	112,898	106,439	115,392
Public works supervision	340,000	331,823	328,486
Equipment and supplies	32,201	47,859	40,061
Building and yard maintenance	176,000	209,457	186,964
Equipment maintenance	<u>717,401</u>	<u>759,816</u>	<u>699,807</u>
	<u>1,900,575</u>	<u>1,934,775</u>	<u>1,909,745</u>
ROADS AND STREET MAINTENANCE:			
Roadway surfaces maintenance	847,732	779,812	996,095
Snow and ice removal	163,600	416,334	184,157
Parking	15,302	8,129	18,326
Gravel	167,000	149,153	210,487
Ditch and dyke maintenance	153,250	131,002	214,971
Storm sewers	<u>226,695</u>	<u>248,722</u>	<u>223,754</u>
	<u>1,573,579</u>	<u>1,733,152</u>	<u>1,847,790</u>
Bridges and retaining walls	20,000	8,200	11,257
Street lighting	234,400	231,462	238,375
Traffic control	237,000	199,208	221,295
Public transit	635,350	670,056	576,882
Other	132,600	148,880	163,911
Transportation services - capital assets	2,072,731	2,188,114	1,268,687
Recoveries	<u>(1,644,982)</u>	<u>(1,415,049)</u>	<u>(1,527,431)</u>
	<u>\$ 5,161,253</u>	<u>\$ 5,698,798</u>	<u>\$ 4,710,511</u>

CITY OF PORT ALBERNI
RECREATION AND CULTURAL SERVICES (SCHEDULE 9)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 Budget <u>Revenue</u>	2008 Actual Revenue	2008 Budget <u>Expenditure</u>	2008 Actual Expenditure	2008 Budget Operating <u>Deficit</u>	2008 Actual Operating Deficit	2007 Actual Operating <u>Deficit</u>
RECREATION SERVICES:							
Administration	\$ -	\$ -	\$ 484,561	\$ 482,070	\$ (484,561)	\$ (482,070)	\$ (483,937)
Leisure Centre	231,720	206,027	338,690	336,587	(106,970)	(130,560)	(142,833)
Swimming pool	342,000	336,153	428,421	409,368	(86,421)	(73,215)	(59,961)
Arena	722,800	663,564	932,606	1,003,831	(209,806)	(340,267)	(250,530)
Parks, playgrounds and other	136,549	112,657	1,264,539	1,189,879	(1,127,990)	(1,077,221)	(1,200,348)
Programs	229,700	412,473	1,267,359	1,289,526	(1,037,659)	(877,053)	(672,685)
Capital assets	-	-	2,274,000	451,150	(2,274,000)	(451,150)	(1,599,400)
	<u>1,662,769</u>	<u>1,730,874</u>	<u>6,990,176</u>	<u>5,162,411</u>	<u>(5,327,407)</u>	<u>(3,431,536)</u>	<u>(4,409,694)</u>
CULTURAL SERVICES:							
Museum services	21,680	65,773	544,681	553,520	(523,001)	(487,747)	(509,268)
McLean Mill	245,500	262,742	541,100	574,368	(295,600)	(311,626)	(305,971)
Regional library	-	-	508,749	508,749	(508,749)	(508,749)	(495,214)
Capital assets	-	-	31,400	19,874	(31,400)	(19,874)	(14,790)
	<u>267,180</u>	<u>328,515</u>	<u>1,625,930</u>	<u>1,656,511</u>	<u>(1,358,750)</u>	<u>(1,327,996)</u>	<u>(1,325,243)</u>
	<u>\$ 1,929,949</u>	<u>\$ 2,059,389</u>	<u>\$ 8,616,106</u>	<u>\$ 6,818,922</u>	<u>\$ (6,686,157)</u>	<u>\$ (4,759,532)</u>	<u>\$ (5,734,937)</u>

CITY OF PORT ALBERNI
SALE OF SERVICES (SCHEDULE 10)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
GENERAL REVENUE:			
General Services	\$ 1,859,503	\$ 2,002,777	\$ 1,850,072
Arena	722,800	663,564	650,898
Leisure Centre	231,720	206,027	161,507
Parks, playgrounds and other	136,549	112,657	106,859
Pool	342,000	336,153	319,186
Programs	229,700	412,473	526,080
Museum	21,680	65,773	28,631
McLean Mill	<u>245,500</u>	<u>262,742</u>	<u>213,902</u>
	<u>3,789,452</u>	<u>4,062,166</u>	<u>3,857,135</u>
MISCELLANEOUS REVENUE:			
Miscellaneous receipts/sales	-	845,444	676,235
SERVICES PROVIDED TO OTHER GOVERNMENTS:			
Services provided to other governments	120,000	95,520	112,672
SEWER REVENUE:			
Connections and sundry charges	46,240	73,053	84,230
Sale of sewer service	<u>1,100,000</u>	<u>1,002,854</u>	<u>1,036,721</u>
	<u>1,146,240</u>	<u>1,075,907</u>	<u>1,120,951</u>
WATER REVENUE:			
Sale of water	2,070,151	1,995,621	2,002,089
Connections and sundry charges	<u>32,800</u>	<u>39,912</u>	<u>80,105</u>
	<u>2,102,951</u>	<u>2,035,533</u>	<u>2,082,194</u>
	<u>\$ 7,158,643</u>	<u>\$ 8,114,570</u>	<u>\$ 7,849,187</u>

CITY OF PORT ALBERNI
OTHER REVENUE FROM OWN SOURCES (SCHEDULE 11)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
Licences and permits	\$ 209,900	\$ 239,279	\$ 246,844
Fines and costs	14,000	8,558	8,424
Land and building rentals	94,148	105,121	84,637
Penalties and interest	141,000	153,053	143,998
Miscellaneous revenue	113,000	167,908	160,596
Other revenue from own sources - capital fund	449,900	51,472	277,972
Other revenue from own sources - reserve funds	<u>-</u>	<u>27,259</u>	<u>-</u>
	\$ <u>1,021,948</u>	\$ <u>752,650</u>	\$ <u>922,471</u>

**CITY OF PORT ALBERNI
SEWER AND WATER UTILITIES (SCHEDULE 12)
FOR THE YEAR ENDED DECEMBER 31, 2008
(with comparative figures for 2007)**

	2008 <u>Budget</u>	2008 <u>Actual</u>	2007 <u>Actual</u>
SEWER UTILITY:			
Administration	\$ 287,100	\$ 261,726	\$ 297,241
Sewage treatment and disposal	152,950	179,988	180,411
Sewage collection system	311,260	357,254	325,791
Sewage pump stations	169,320	131,356	175,605
Other operating costs	2,500	10,470	12,999
Sewer utility - capital	<u>1,324,800</u>	<u>1,306,845</u>	<u>560,780</u>
	<u>\$ 2,247,930</u>	<u>\$ 2,247,639</u>	<u>\$ 1,552,827</u>
WATER UTILITY:			
Administration	\$ 289,500	\$ 303,758	\$ 265,850
Service of supply	198,750	154,316	150,024
Pumping	185,500	139,371	177,106
Transmission and distribution	581,550	504,695	626,372
Other operating costs	7,500	2,509	24,769
Water utility - capital fund	<u>4,225,444</u>	<u>722,894</u>	<u>1,144,091</u>
	<u>\$ 5,488,244</u>	<u>\$ 1,827,543</u>	<u>\$ 2,388,212</u>

CITY OF PORT ALBERNI
RESERVES FOR FUTURE EXPENDITURES (SCHEDULE 13)
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Balance</u> <u>Dec 31, 2007</u>	<u>Additions</u>	<u>Transfers &</u> <u>Expenditures</u>	<u>Balance</u> <u>Dec 31, 2008</u>
<u>General Revenue Fund</u>				
Projects and purchases	\$ 384,372	\$ 2,348	\$ 10,000	\$ 376,720
Loss on taxation	366,000	-	-	366,000
Museum purchases	15,119	4,947	-	20,066
Parks and Recreation building	756,954	50,986	-	807,940
<u>Water Revenue Fund</u>				
Water revenue fund reserve	257,284	(257,284)	-	-
<u>Capital Works</u>				
Capital reserve	<u>967,391</u>	<u>8,310</u>	<u>-</u>	<u>975,701</u>
	<u>\$ 2,747,120</u>	<u>\$ (190,693)</u>	<u>\$ 10,000</u>	<u>\$ 2,546,427</u>

STATISTICS SECTION

Statistics

CITY OF PORT ALBERNI MISCELLANEOUS STATISTICS AT DECEMBER 31, 2008

Date of Incorporation	1912
Form of Government	City/Council/Manager
Number of employees (excluding police and fire)	
Classified	102
Exempt	19
Area in Hectares	2,150
City of Port Alberni Facilities and Services:	
Kilometers of streets	154
Number of street lights	1,572
Culture and Recreation:	
Community centers	6
Parks	46
Park in hectares	271
Swimming pools	1
Tennis courts	5
Fire Protection:	
Number of stations	1
Number of fire personnel and officers	22
Number of calls received - Fire/Rescue/First Responder	1,193
Number of inspections conducted	1,143
Police Protection:	
Number of stations	1
Number of police personnel and officers	34
Number of law violations:	
Physical arrests	2,155
Number of reported criminal incidents	4,595
Sewerage System:	
Kilometers of sanitary sewers and storm sewer	261
Number of treatment plants	1
Number of service connections	6,436
Daily average treatment of cubic meters	16,484
Water System:	
Kilometers of water mains	170
Number of service connections	6,746
Number of fire hydrants	718
Daily average consumption in cubic meters	10,905
Maximum daily capacity of plant in cubic meters	48,000
Facilities and services not included in the reporting entity:	
Education:	
Number of elementary schools	6
Number of middle schools	2
Number of secondary schools	2
Number of community colleges	1
Hospitals:	
Number of hospitals	1
Number of patient beds	52

**CITY OF PORT ALBERNI
ASSESSMENT/TAXATION COMPARATIVE STATISTICS
AT DECEMBER 31, 2008**

	2008	2007	2006	2005	2004	2003
Population(based on last census) ⁽¹⁾	17548	17548	17548	17743	17743	17743
Assessed valuations for General Purposes⁽²⁾						
Land						
Residential	\$ 512,031,400	\$ 488,407,600	\$ 301,869,600	\$ 255,339,400	\$ 233,181,301	\$ 230,463,000
Commercial	\$ 63,623,894	\$ 57,806,842	\$ 49,967,179	\$ 48,605,127	\$ 45,259,097	\$ 42,556,659
Industrial	\$ 8,873,100	\$ 8,059,900	\$ 7,692,200	\$ 7,692,200	\$ 7,820,300	\$ 7,958,300
Other	\$ 3,476,407	\$ 3,202,911	\$ 2,922,346	\$ 2,980,935	\$ 1,962,145	\$ 1,896,635
	\$ 588,004,801	\$ 557,477,253	\$ 362,451,325	\$ 314,617,662	\$ 288,222,843	\$ 282,874,594
Improvements						
Residential	\$ 840,294,400	\$ 707,666,900	\$ 626,642,400	\$ 466,211,100	\$ 418,767,701	\$ 394,450,400
Commercial	\$ 117,162,056	\$ 82,316,008	\$ 66,672,721	\$ 58,602,073	\$ 56,157,453	\$ 54,659,791
Industrial	\$ 102,301,800	\$ 99,538,600	\$ 95,837,800	\$ 91,966,700	\$ 87,932,200	\$ 90,877,900
Other	\$ 6,231,200	\$ 5,443,450	\$ 4,878,095	\$ 4,678,330	\$ 2,219,315	\$ 2,558,845
	\$ 1,065,989,456	\$ 894,964,958	\$ 794,031,016	\$ 621,458,203	\$ 565,076,669	\$ 542,546,936
Total	\$ 1,653,994,257	\$ 1,452,442,211	\$ 1,156,482,341	\$ 936,075,865	\$ 853,299,512	\$ 825,421,530
General & Debt Tax Rates						
Residential	\$ 5.5436	\$ 5.9345	\$ 7.8668	\$ 9.7595	\$ 10.3449	\$ 10.5658
Utilities	\$ 42.4666	\$ 52.3553	\$ 66.3174	\$ 68.3167	\$ 71.3801	\$ 72.2703
Major Industrial	\$ 58.9797	\$ 64.8900	\$ 70.5655	\$ 73.7820	\$ 78.2077	\$ 75.8626
Light Industrial	\$ 34.6043	\$ 38.6842	\$ 42.9529	\$ 41.8455	\$ 43.2418	\$ 42.1576
Business & Other	\$ 16.9867	\$ 20.9586	\$ 26.5112	\$ 27.3267	\$ 28.5520	\$ 28.9504
Seasonal Recreational	\$ 5.5436	\$ 5.9345	\$ 7.8668	\$ 9.7595	\$ 10.3449	\$ 10.5658
Farm	\$ 5.5436	\$ 5.9345	\$ 7.8668	\$ 9.7595	\$ 10.3449	\$ 10.5658
School Tax Rates						
Residential	\$ 2.4797	\$ 2.7638	\$ 3.4488	\$ 4.0979	\$ 4.7320	\$ 5.0491
Utilities	\$ 14.2000	\$ 14.7000	\$ 14.9000	\$ 14.9000	\$ 15.0000	\$ 15.0000
Major Industrial	\$ 9.3000	\$ 12.5000	\$ 12.5000	\$ 12.5000	\$ 12.5000	\$ 12.5000
Light Industrial	\$ 6.8000	\$ 7.9000	\$ 9.2000	\$ 9.6000	\$ 9.9000	\$ 9.9000
Business & Other	\$ 6.8000	\$ 7.9000	\$ 9.2000	\$ 9.6000	\$ 9.9000	\$ 9.9000
Seasonal Recreational	\$ 3.6000	\$ 3.9000	\$ 4.2000	\$ 4.5000	\$ 4.5000	\$ 4.5000
Farm	\$ 6.8000	\$ 6.8000	\$ 6.8000	\$ 6.8000	\$ 6.8000	\$ 6.8000
Tax Rates for Residential Class						
General	\$ 5.4653	\$ 5.8491	\$ 7.6317	\$ 9.6174	\$ 10.3006	\$ 10.5330
Debt	\$ 0.0783	\$ 0.0854	\$ 0.2351	\$ 0.1421	\$ 0.0443	\$ 0.0328
School District-Residential	\$ 2.4797	\$ 2.7638	\$ 3.4488	\$ 4.0979	\$ 4.7320	\$ 5.0491
Regional Hospital District	\$ 0.4181	\$ 0.4858	\$ 0.5866	\$ 0.6710	\$ 0.8094	\$ 0.8346
Municipal Finance Authority	\$ 0.0002	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003	\$ 0.0003
Regional District	\$ 0.3178	\$ 0.3428	\$ 0.4612	\$ 0.4962	\$ 0.6846	\$ 0.7472
B.C. Assessment	\$ 0.0615	\$ 0.0677	\$ 0.0816	\$ 0.0920	\$ 0.1057	\$ 0.1159
Total Residential Rate	\$ 8.8209	\$ 9.5949	\$ 12.4453	\$ 15.1169	\$ 16.6769	\$ 17.3129

**CITY OF PORT ALBERNI
GENERAL COMPARATIVE STATISTICS
AT DECEMBER 31, 2008**

	2008	2007	2006	2005	2004	2003
Current Tax Levy						
General	\$ 17,112,830	\$ 17,021,215	\$ 17,440,276	\$ 17,323,148	\$ 17,351,924	\$ 17,073,581
Debt	\$ 245,194	\$ 248,383	\$ 537,232	\$ 256,280	\$ 74,638	\$ 53,210
School District-Residential	\$ 2,681,653	\$ 3,305,722	\$ 3,204,147	\$ 2,957,046	\$ 3,083,895	\$ 3,153,407
School District-Non-Residential	\$ 3,352,789	\$ 2,874,544	\$ 2,794,552	\$ 2,714,769	\$ 2,611,927	\$ 2,610,373
Other Levies-Special Assessments	\$ 1,050,118	\$ 974,427	\$ 960,448	\$ 957,995	\$ 959,018	\$ 943,037
Regional Hospital District	\$ 935,653	\$ 955,864	\$ 955,047	\$ 928,387	\$ 1,035,208	\$ 1,043,401
Municipal Finance Authority	\$ 354	\$ 436	\$ 351	\$ 286	\$ 262	\$ 255
Regional District	\$ 711,212	\$ 674,412	\$ 750,888	\$ 686,552	\$ 875,558	\$ 934,114
Assessment Authority	\$ 178,969	\$ 171,931	\$ 167,869	\$ 157,345	\$ 158,647	\$ 170,742
Business Improvement Area	\$ -	\$ -	\$ 5,104	\$ 15,000	\$ 10,815	\$ 15,000
Total Levy	\$ 26,268,772	\$ 26,226,934	\$ 26,815,914	\$ 25,996,808	\$ 26,161,892	\$ 25,997,120
Per Capita Levy	\$ 1,496.97	\$ 1,494.58	\$ 1,528.15	\$ 1,465.19	\$ 1,474.49	\$ 1,465.20
Tax Collection						
Current Taxes Payments	\$ 21,579,407	\$ 22,272,213	\$ 22,891,726	\$ 22,613,255	\$ 22,617,771	\$ 22,601,254
Provincial Home Owner Grants	\$ 3,534,047	\$ 3,481,594	\$ 3,463,021	\$ 2,900,729	\$ 2,851,308	\$ 2,810,758
Total Current Taxes Collected	\$ 25,113,454	\$ 25,753,807	\$ 26,354,747	\$ 25,513,984	\$ 25,469,079	\$ 25,412,012
Percentage of Current Levy	95.60%	98.20%	98.28%	98.14%	97.35%	97.75%
Arrears and Delinquent Collected	\$ 608,765	\$ 605,084	\$ 679,443	\$ 869,755	\$ 831,858	\$ 886,234
Percentage of Current Levy	2.32%	2.31%	2.53%	3.35%	3.18%	3.41%
Total Taxes Collected	\$ 25,722,219	\$ 26,358,891	\$ 27,034,190	\$ 26,383,739	\$ 26,300,937	\$ 26,298,246
Percentage of Current Levy	97.92%	100.50%	100.81%	101.49%	100.53%	101.16%
Unpaid Taxes						
Current	\$ 486,610	\$ 339,226	\$ 452,009	\$ 472,458	\$ 675,655	\$ 575,048
Arrears	\$ 176,563	\$ 207,943	\$ 179,804	\$ 201,521	\$ 198,943	\$ 244,047
Total Unpaid Taxes	\$ 663,173	\$ 547,169	\$ 631,813	\$ 673,979	\$ 874,598	\$ 819,095
Per Capita	\$ 37.79	\$ 31.18	\$ 36.00	\$ 37.99	\$ 49.29	\$ 46.16
Summary of Surplus and Reserves						
Funded Reserves	\$ 9,246,581	\$ 7,585,663	\$ 7,668,511	\$ 8,813,467	\$ 9,317,919	\$ 9,410,629
Appropriated Reserves	\$ 2,546,427	\$ 2,747,119	\$ 2,413,048	\$ 3,088,487	\$ 2,511,296	\$ 2,271,597
Operating Surplus	\$ 6,587,452	\$ 6,553,497	\$ 5,794,501	\$ 4,525,229	\$ 3,679,727	\$ 2,462,244

**CITY OF PORT ALBERNI
GENERAL COMPARATIVE STATISTICS
AT DECEMBER 31, 2008**

	2008	2007	2006	2005	2004	2003
Debenture Debt						
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer	\$ 1,030,304	\$ 1,147,730	\$ 1,260,571	\$ 895,742	\$ 104,676	\$ 110,939
General	\$ 3,260,626	\$ 3,349,985	\$ 3,435,862	\$ 65,401	\$ 69,785	\$ 73,960
Gross Debenture Debt	\$ 4,290,930	\$ 4,497,715	\$ 4,696,433	\$ 961,143	\$ 174,461	\$ 184,899
Per Capita	\$ 244.53	\$ 256.31	\$ 267.63	\$ 54.17	\$ 9.83	\$ 10.42
Less: Sewer and Water Utilities Debt	\$ 1,030,304	\$ 1,147,730	\$ 1,260,571	\$ 895,742	\$ 104,676	\$ 110,939
Net Debt Excluding Utilities	\$ 3,260,626	\$ 3,349,985	\$ 3,435,862	\$ 65,401	\$ 69,785	\$ 73,960
Per Capita	\$ 185.81	\$ 190.90	\$ 195.80	\$ 3.69	\$ 3.93	\$ 4.17
Liability Servicing Limit						
Liability Servicing Limit	\$ 6,547,605	\$ 6,368,673	\$ 6,087,612	\$ 5,790,177	\$ 5,704,980	\$ 5,447,569
Less Actual Debt Servicing Cost	\$ 432,424	\$ 434,256	\$ 287,738	\$ 109,368	\$ 149,196	\$ 190,019
Less Estimated Cost - Unissued Debt	\$ -	\$ 27,000	\$ -	\$ 343,191	\$ -	\$ -
Liability Servicing Capacity Available	\$ 6,115,181	\$ 5,907,417	\$ 5,799,874	\$ 5,337,618	\$ 5,555,784	\$ 5,257,550
Debt Payment as a percentage of non-capital expenditures						
Debt payments - gross	0.8%	0.8%	0.4%	0.3%	0.6%	0.7%
General Revenue Fund Statistics						
Budget	\$ 31,811,844	\$ 30,905,185	\$ 30,870,843	\$ 30,279,852	\$ 30,083,423	\$ 29,728,057
Actual Revenues	\$ 32,509,207	\$ 31,917,877	\$ 32,204,016	\$ 31,133,095	\$ 31,032,525	\$ 30,425,373
Actual Expenditures	\$ 32,987,326	\$ 31,750,186	\$ 31,606,442	\$ 30,864,405	\$ 30,508,622	\$ 30,796,074
Surplus	\$ (478,119)	\$ 167,691	\$ 597,574	\$ 268,690	\$ 523,903	\$ (370,701)
Expenditure per Capita	\$ 1,879.83	\$ 1,809.33	\$ 1,801.14	\$ 1,739.53	\$ 1,719.47	\$ 1,735.67
Capital Expenditures						
Financed from General Revenue	\$ 1,182,965	\$ 1,281,351	\$ 1,191,782	\$ 939,118	\$ 1,204,533	\$ 1,375,907
Other Sources of Revenue						
Provincial Unconditional Grants	\$ 904,385	\$ 535,400	\$ 462,152	\$ 435,209	\$ 385,084	\$ 157,954
B.C. Hydro Grant	\$ 428,287	\$ 461,364	\$ 503,779	\$ 487,130	\$ 475,547	\$ 452,596
Building Permits						
Number Issued	51	174	168	125	119	72
Construction Values	\$ 18,818,433	\$ 23,980,489	\$ 20,310,239	\$ 18,044,996	\$ 25,863,594	\$ 3,622,338

SOURCES:

- (1) Statistics Canada Census 2006
(2) B.C. Assessment

**CITY OF PORT ALBERNI
DEMOGRAPHIC STATISTICS**

BASED ON 2006 CENSUS FIGURES (Statistics Canada Source)

Population Composition

<u>Age</u>	<u>2006</u>			<u>2001</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
0 - 4 years	470	400	870	455	450	905
5 - 14 years	1065	1015	2,080	1270	1155	2,425
15 - 19 years	585	545	1,130	685	620	1,305
20 - 24 years	460	440	900	475	445	920
25 - 44 years	1880	2000	3,880	2195	2290	4,485
45 - 54 years	1425	1465	2,890	1380	1365	2,745
55 - 64 years	1335	1220	2,555	1010	1000	2,010
65 - 74 years	845	880	1,725	815	750	1,565
75+	650	885	1,535	540	830	1,370
Total	<u>8,715</u>	<u>8,850</u>	<u>17,565</u>	<u>8,825</u>	<u>8,905</u>	<u>17,730</u>

Legal Married Status

	<u>2006</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>
Population 15 years and over	7170	7430	14600
Single	2380	1850	4230
Married	3550	3535	7085
Separated	235	290	525
Divorced	730	820	1550
Widowed	265	945	1210

Mobility Status - Place of Residence

	<u>1 Year Ago</u>			<u>5 Years Ago</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Lived in same municipality	8,130	8,080	16,210	6,650	6,775	13,425
Lived in same province, but moved to municipality	305	395	700	1,155	1,195	2,350
Lived in a different province	95	110	205	275	295	570
Lived in a different country	10	10	20	45	30	75
	<u>8,540</u>	<u>8,595</u>	<u>17,135</u>	<u>8,125</u>	<u>8,295</u>	<u>16,420</u>

CITY OF PORT ALBERNI
DEMOGRAPHIC STATISTICS
BASED ON 2006 CENSUS FIGURES (Statistics Canada Source)

Labour Force by Major Occupational Group

<u>Occupation</u>	<u>2006</u>			<u>2001</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Managerial	375	255	630	320	210	530
Business, finance & administration	180	605	785	235	745	980
Medicine & health	90	355	445	35	345	380
Natural & applied sciences	300	35	335	310	35	345
Social science, education, government service & religion	135	510	645	220	405	625
Art, culture, recreation & sport	130	105	235	45	45	90
Sales & service	765	1,420	2,185	750	1,505	2,255
Trades, transport, equip. operators	1,495	50	1,545	1,040	45	1,085
Primary industry	395	60	455	480	50	530
Processing, manufacturing & utilities	600	100	700	865	125	990
Total	<u>4,465</u>	<u>3,495</u>	<u>7,960</u>	<u>4,300</u>	<u>3,510</u>	<u>7,810</u>

Earnings

	<u>2005 Port Alberni</u>			<u>2005 British Columbia</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
All persons with earnings	5,000	4,135	9,135	1,235,450	1,157,350	2,392,800
Median earnings	\$ 29,494	\$ 13,763	\$ 20,926	\$ 32,375	\$ 20,458	\$ 25,722
Worked full year, full time	2,205	1,325	3,530	652,200	461,165	1,113,365
Median earnings(full year,full time)	\$ 49,679	\$ 32,808	\$ 40,107	\$ 48,070	\$ 36,739	\$ 42,230

Labour Force Indicators

	<u>2006 Port Alberni</u>			<u>2006 British Columbia</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Participation rate	63.4%	49.3%	56.3%	70.7%	60.7%	65.6%
Employment rate	58.7%	45.3%	51.9%	66.7%	56.9%	61.6%
Unemployment rate	7.4%	7.9%	7.7%	5.8%	6.3%	6.0%

CITY OF PORT ALBERNI
MAJOR PROPERTY TAXPAYERS IN PORT ALBERNI
2008 TAXATION YEAR

	Registered Owner	Primary Property	Taxes Levied
1	Catalyst Paper Corporation	Paper Mill	\$6,263,485
2	Western Forest Products Inc.	Sawmills	1,813,009
3	Sun Life Assurance Company of Canada	Pacific Rim Shopping Centre	406,631
4	WalMart Canada Corp	Building	353,387
5	Loblaw Properties	Extra Foods	239,782
6	BC Hydro	Building	187,158
7	Port Alberni Retail Development	Alberni Mall	184,011
8	BC Telephone/Telus	Poles, Lines, Bildin	138,919
9	Marlowe - Yeoman Ltd	10th Avenue Plaza	137,305
10	Canada Safeway	Building	128,461
11	Terasen Gas	Gas Utility	114,896
12	Alberni Valley Gaming Association	Chances RimRock	107,793
13	GDP Investments Ltd	Best Western Barclay Hotel	105,870
14	Marco Investments Ltd	Building	95,597
15	Kelland Food Holdings	Building	91,173
16	517535 BC Ltd	Zellers Port Alberni	89,396
17	CLSC Holdings Ltd	Building	55,773
18	Osler Developments	Hospitality Inn	55,297
19	DW Johnson Holdings ltd	Building	53,672
20	Dennis Jonsson Motor Products Ltd	Automobile Dealer	53,528

**CITY OF PORT ALBERNI
FIVE YEAR PLAN
2008-2012**

REVENUES	2008	2009	2010	2011	2012
Taxes					
Property Taxes	\$ 17,371,606	\$ 17,469,248	\$ 17,727,980	\$ 17,962,611	\$ 19,083,980
Parcel Taxes	231,006	231,006	231,006	231,006	231,006
Other Taxes	160,404	160,404	160,404	160,404	160,404
Grants in Lieu of Taxes	551,116	551,116	551,116	551,116	551,116
Fees and Charges					
Sales of Service	3,863,252	3,941,469	4,043,175	4,135,314	4,253,332
Sales of Service/Utilities	3,249,191	3,404,123	3,422,352	3,559,375	3,578,427
Service to other Government	120,000	120,000	120,000	120,000	120,000
User Fees/Fines	223,900	240,656	240,917	254,383	254,654
Other Revenue					
Rentals	94,148	50,948	50,948	50,948	50,948
Interest/Penalties	425,000	425,360	425,727	426,102	426,484
Grants/Other Governments	4,823,332	917,500	1,955,000	995,000	1,025,000
Other	449,900	29,900	29,900	29,900	29,900
	<u>\$ 31,562,855</u>	<u>\$ 27,541,730</u>	<u>\$ 28,958,525</u>	<u>\$ 28,476,159</u>	<u>\$ 29,765,251</u>

EXPENDITURES	2008	2009	2010	2011	2012
Debt Interest	254,607	254,643	254,680	254,717	254,755
Capital Expenditure	10,593,375	2,561,982	3,868,978	2,880,011	3,877,036
Other Municipal Purposes					
General Municipal	2,994,948	2,871,607	2,924,198	3,039,164	3,047,496
Police Services	5,293,112	5,392,165	5,656,484	5,927,224	6,067,854
Fire Services	2,495,580	2,546,406	2,598,308	2,651,319	2,704,353
Other Protective Services	238,952	241,509	244,117	246,779	249,494
Transportation Services	3,088,522	3,169,953	3,265,318	3,330,625	3,397,237
Environmental Health and Development	1,953,859	1,959,521	1,996,306	2,036,312	2,075,803
Parks and Recreation	4,716,176	4,644,985	4,751,565	4,794,991	4,905,912
Cultural	1,594,530	1,609,275	1,626,445	1,609,361	1,643,445
Water	1,262,800	1,288,056	1,313,817	1,340,093	1,366,895
Sewer	923,130	941,593	960,424	979,633	999,226
Contingency	212,538	206,234	175,000	180,000	180,000
	<u>\$ 35,622,129</u>	<u>\$ 27,687,929</u>	<u>\$ 29,635,640</u>	<u>\$ 29,270,229</u>	<u>\$ 30,769,506</u>

OTHER	2008	2009	2010	2011	2012
Borrowing Proceeds	325,000	-	-	-	276,020
Debt Principal	(244,392)	(244,392)	(244,392)	(244,392)	(244,392)
Transfer to Other Governments - Repayment	(231,006)	(231,006)	(231,006)	(231,006)	(231,006)
Transfer from Equipment Replacement Reserve	692,600	328,280	362,789	1,084,529	1,066,949
Transfer from other reserves	500,000	-	-	-	-
Transfer from Land Sale Reserve	-	-	-	-	-
Transfer from Cemetery Trust	1,037,900	367,517	778,399	217,662	246,660
Transfer from (to) Surplus	1,979,172	(74,200)	11,325	(32,723)	(109,976)
	<u>\$ 4,059,274</u>	<u>\$ 146,199</u>	<u>\$ 677,115</u>	<u>\$ 794,070</u>	<u>\$ 1,004,255</u>

BALANCED BUDGET	\$	-	\$	-	\$	-	\$	-	\$	-
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Statistics

CITY OF PORT ALBERNI CONSOLIDATED REVENUE LAST FIVE FISCAL YEARS COMPARISON

	2008	2007	2006	2005	2004
Taxes					
Property Taxes	\$ 17,124,791	\$ 17,036,887	\$ 17,747,494	\$ 17,214,247	\$ 17,323,789
Parcel Taxes	231,135	231,006	230,907	230,851	239,235
Other Taxes	164,457	153,084	148,694	161,798	150,442
Grants in Lieu of Taxes	546,737	573,672	641,293	616,320	622,158
Fees and Charges					
Sales of Service	4,062,166	3,857,135	3,628,722	3,562,575	3,320,461
Sales of Service/Utilities	3,111,440	3,203,145	2,268,417	2,301,561	2,266,598
Service to other Government	95,520	112,672	124,317	173,848	88,769
User Fees/Fines	247,837	255,268	245,592	214,858	217,257
Other Revenue					
Rentals	105,121	84,637	71,430	108,057	152,447
Interest/Penalties	615,181	771,636	733,935	492,654	394,571
Grants/Other Governments	2,842,408	2,111,178	2,416,741	922,607	483,792
Other	1,245,136	1,258,801	1,133,489	951,181	1,310,080
Parkland dedication deposits	15,500	20,382	33,782	-	-
Sale of property and equipment	1,162,042	386,936	764,396	184,765	361,449
	<u>\$ 31,569,471</u>	<u>\$ 30,056,439</u>	<u>\$ 30,189,209</u>	<u>\$ 27,135,322</u>	<u>\$ 26,931,048</u>

**CITY OF PORT ALBERNI
CONSOLIDATED EXPENDITURES
LAST FIVE FISCAL YEARS COMPARISON**

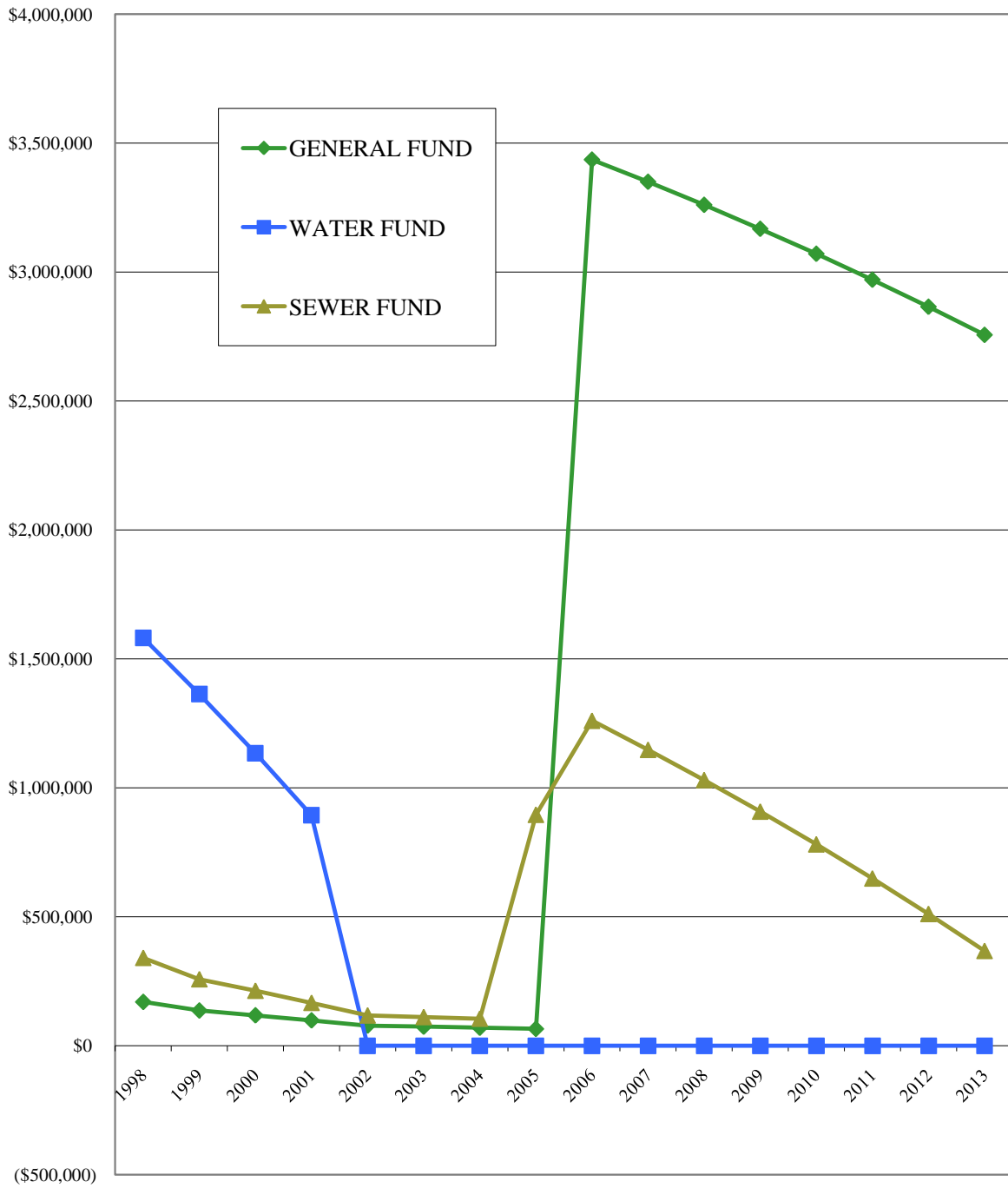
	2008	2007	2006	2005	2004
General government	\$ 3,664,051	\$ 2,908,402	\$ 2,747,653	\$ 2,488,683	\$ 2,324,861
Protective services	7,553,515	7,521,303	7,444,525	7,247,227	6,878,682
Transportation services	3,510,684	3,441,824	3,156,291	3,109,949	3,072,379
Environmental health services	1,366,688	1,249,788	1,356,017	1,205,450	1,169,283
Environmental development	497,513	501,682	492,914	407,693	438,148
Recreation and cultural services	6,347,898	6,127,810	6,225,094	6,262,303	6,222,061
Interest	238,727	240,598	187,038	51,503	26,924
Debt reserve	2,304	2,266	1,845	445	120
Water utility	1,104,649	1,244,121	1,127,160	1,217,489	1,093,428
Sewer utility	940,794	992,047	1,016,255	946,992	827,763
Cost of sales and services	134,591	48,313	12,630	20,712	70,819
Capital assets	4,781,978	4,871,875	8,088,370	6,771,521	3,988,615
	<u>\$ 30,143,392</u>	<u>\$ 29,150,029</u>	<u>\$ 31,855,792</u>	<u>\$ 29,729,967</u>	<u>\$ 26,113,083</u>

**CITY OF PORT ALBERNI
CAPITAL ASSETS ACQUIRED
LAST FIVE FISCAL YEARS COMPARISON**

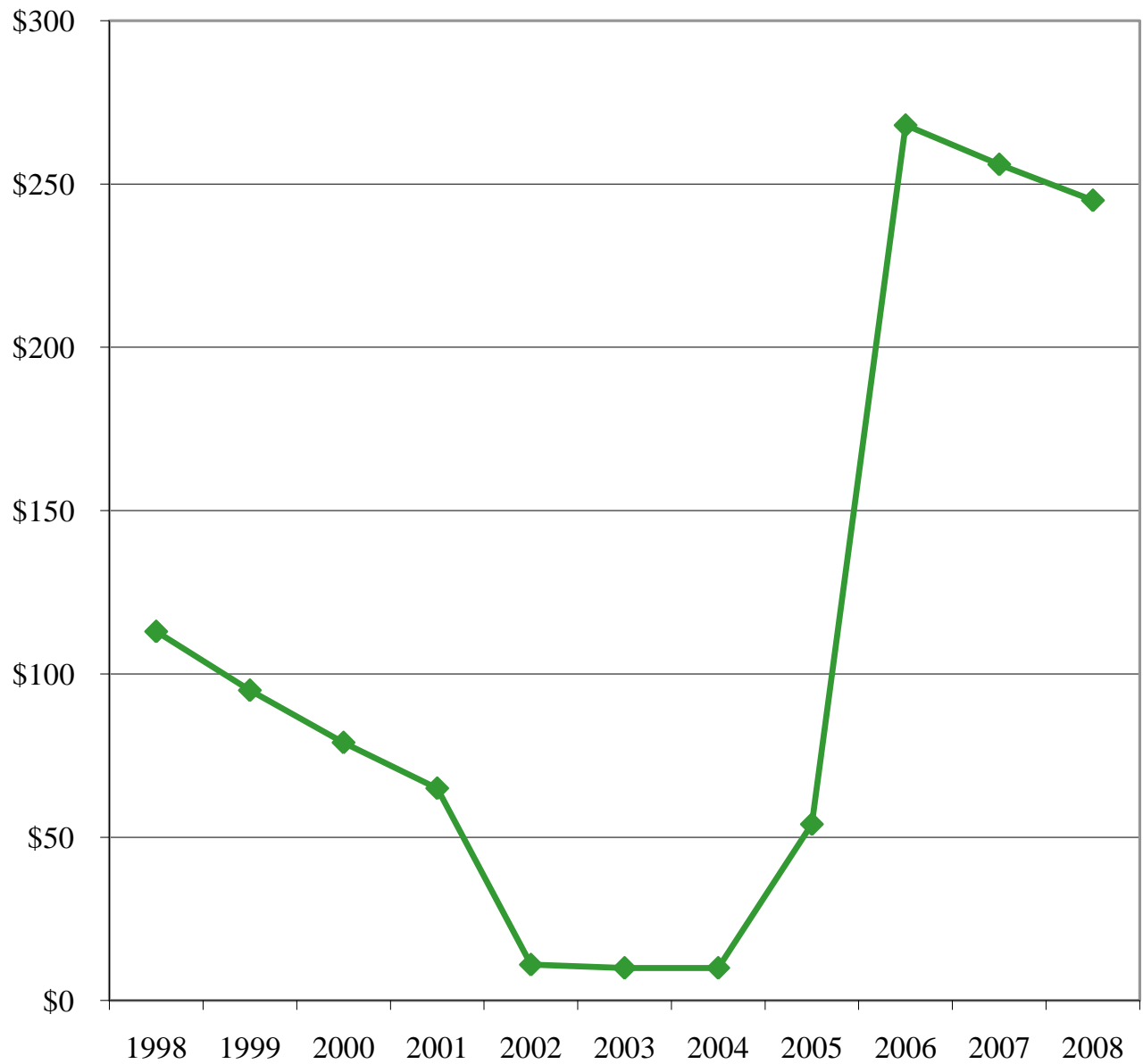
CAPITAL ACQUISITIONS	2008	2007	2006	2005	2004
General government	\$52,700	\$97,979	\$172,592	\$70,136	\$107,955
Protective services	40,400	186,147	6,001,467	24,211	23,354
Transportation services	1,666,623	1,238,686	1,285,663	1,875,141	1,986,443
Environmental development	-	-	-	13,375	203,357
Recreation and cultural	280,948	2,244,196	370,425	648,514	269,930
Water	2,218,733	236,301	301,642	275,548	439,814
Sewer	271,455	558,735	2,532,564	845,821	281,698
	<u>\$4,530,859</u>	<u>\$4,562,044</u>	<u>\$10,664,353</u>	<u>\$3,752,746</u>	<u>\$3,312,551</u>

SOURCE OF FINANCING	2008	2007	2006	2005	2004
Revenue Funds	\$2,377,522	\$1,618,388	\$1,596,816	\$1,226,818	\$1,916,947
Reserve Funds	942,946	1,790,485	3,526,256	1,607,085	1,186,185
Short Term Borrowing	-	-	-	-	-
Long Term Borrowing	-	-	3,746,502	783,683	-
Grants	1,166,667	1,071,450	1,626,200	116,049	17,000
Other	43,724	81,721	168,578	19,111	192,419
	<u>\$4,530,859</u>	<u>\$4,562,044</u>	<u>\$10,664,352</u>	<u>\$3,752,746</u>	<u>\$3,312,551</u>

CITY OF PORT ALBERNI-DEBT RETIREMENT



CITY OF PORT ALBERNI - DEBT PER CAPITA



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