

# **2011 City of Prince Rupert Audited Financial Statements**

**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Council  
City of Prince Rupert

**Report on the Financial Statements**

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

**Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

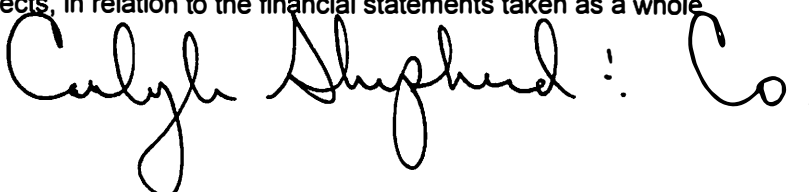
**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2011 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**Supplementary information**

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City taken as a whole. The current year's supplementary information in Statements C, F to I and schedules 1 to 7 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all materially respects, in relation to the financial statements taken as a whole.


Prince Rupert, BC  
May 7, 2012




## City of Prince Rupert

### Consolidated Statement of Financial Position December 31

	<u>2011</u>	<u>2010</u>
<b>Financial Assets</b>		
Cash and Cash Equivalents	\$ 18,281,555	\$ 14,439,738
Taxes Receivable (Note 2)	9,066,636	9,050,085
General Receivables (Note 2)	1,916,378	2,904,804
Deposit-Municipal Finance Authority (Note 4)	145,786	140,980
Loan to Museum (Note 3)	125,991	315,501
	<u>29,536,346</u>	<u>26,851,108</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5a)	10,468,824	8,713,357
Deferred Revenue (Note 5b)	4,401,473	3,785,161
Landfill Closure Cost (Note 8b)	1,875,000	1,705,000
Reserves - Municipal Finance Authority (Note 4)	145,786	140,980
Leases Payable (Schedule 6 and Note 6)	349,550	526,526
Debenture Debt (Schedule 7 and Note 6)	6,742,820	7,227,607
	<u>23,983,453</u>	<u>22,098,631</u>
<b>Net Financial Assets (Statement D)</b>	<u>5,552,893</u>	<u>4,752,477</u>
<b>Non-financial Assets</b>		
Tangible Capital Assets (Statement G and Note 1c)	50,444,179	47,336,041
Investment in City West Cable & Tel. Corp. (Statement H and Note 7)	28,036,763	27,666,763
Inventory (Note 1d)	951,605	696,152
	<u>79,432,547</u>	<u>75,698,956</u>
<b>Surplus and Equity</b>	<u>\$ 84,985,440</u>	<u>\$ 80,451,433</u>
<b>City Position</b>		
Accumulated Operating Surplus (Statement C)		
Unappropriated	\$ 3,130,088	\$ 3,017,202
Appropriated	2,579,000	2,418,000
	<u>5,709,088</u>	<u>5,435,202</u>
Bylaw and Statutory Reserve Funds (Statement F)	6,396,790	6,087,060
Investment in City West Cable & Tel. Corp. (Statement G and Note 7)	28,036,763	27,666,763
Investment in Tangible Capital Assets (Statement I)	44,842,799	41,262,408
	<u>84,985,440</u>	<u>80,451,433</u>
<b>Net Position</b>	<u>\$ 84,985,440</u>	<u>\$ 80,451,433</u>

  
Gordon Howie  
City Manager

  
Dan Rodin, CGA  
Chief Financial Officer

## City of Prince Rupert

### Consolidated Statement of Operations For The Year Ended December 31

	<u>Unaudited</u> <u>2011 Budget</u>	<u>2011</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
<b>Revenues</b>			
Taxes (Net) (Schedule 1)	\$ 16,296,000	\$ 16,512,673	\$ 15,902,000
Sale of Services (Schedule 2)	8,468,000	8,442,506	8,393,117
Services Provided to Other Government	60,000	71,039	59,491
Government Transfers (Schedule 3)	3,598,000	3,960,021	2,235,339
Fees, Permits, Licenses and Fines (Schedule 4)	536,000	579,806	551,117
Investment Income (Schedule 4)	27,000	138,509	78,205
City West Cable & Tel. Corp. Income/(Loss)	-	1,370,000	(3,945,000)
Miscellaneous Revenues (Schedule 4)	1,834,000	2,497,960	1,560,151
<b>Total Revenue</b>	<u>\$ 30,819,000</u>	<u>\$ 33,572,514</u>	<u>\$ 24,834,420</u>
<b>Expenses</b>			
Protection to Persons and Property	\$ 7,745,930	\$ 7,348,532	\$ 7,100,786
Water, Sewage and Solid Waste	5,397,000	4,373,216	4,477,330
Roadways and Transportation	5,232,030	4,941,958	5,432,210
Recreation and Culture	4,760,970	4,793,764	4,504,135
General Government	4,971,100	5,880,081	4,405,252
Other	362,970	406,275	384,306
<b>Total Expenses (Schedule 5)</b>	<u>\$ 28,470,000</u>	<u>\$ 27,743,826</u>	<u>\$ 26,304,019</u>
<b>Revenue Over Expenditure Before Amortization</b>	\$ 2,349,000	\$ 5,828,688	\$ (1,469,599)
<b>Amortization of Tangible Capital Assets</b>	\$ -	\$ (1,620,656)	\$ (1,892,482)
<b>Writedown of Capital Assets</b>	\$ -	\$ (291,314)	\$ -
<b>Gain on Disposal of Tangible Capital Assets</b>	<u>\$ -</u>	<u>\$ 617,289</u>	<u>\$ -</u>
<b>Revenue Over Expenditure</b>	\$ 2,349,000	\$ 4,534,007	\$ (3,362,081)
<b>Opening City Position</b>	<u>NA</u>	<u>\$ 80,451,433</u>	<u>\$ 83,813,514</u>
<b>Closing City Position</b>	<u>NA</u>	<u>\$ 84,985,440</u>	<u>\$ 80,451,433</u>

## City of Prince Rupert

### Operating Funds and Surplus Allocation For The Year Ended December 31

Fund	General	Water	Sewer	Solid Waste	2011 Total	2010 Total
<b>Operating Results</b>						
Revenue	\$ 25,108,163	\$ 2,313,364	\$ 4,063,334	\$ 2,087,653	\$ 33,572,514	\$ 24,834,420
Expenditure (Exclude Tangible Capital Assets)	<u>23,370,610</u>	<u>1,536,287</u>	<u>952,159</u>	<u>1,884,770</u>	<u>27,743,826</u>	<u>26,304,019</u>
	1,737,553	777,077	3,111,175	202,883	5,828,688	(1,469,599)
Add /(Less)						
Investment in Tangible Capital Assets	(663,230)	(77,169)	(4,240,487)	(39,222)	(5,020,108)	(3,139,100)
New Vehicle Lease	-	-	-	-	-	472,307
Debt payment and Actuarial Adjustments	(298,641)	(110,832)	(14,297)	(48,483)	(472,253)	(571,072)
Bylaw and Statutory Reserve Fund Income	(65,330)	-	-	-	(65,330)	(56,031)
City West Cable & Tel. Corp (Income)/Loss	(1,370,000)	-	-	-	(1,370,000)	3,945,000
City West Cable & Tel. Corp Loan Repayment	1,000,000	-	-	-	1,000,000	-
Transfer from Reserves	<u>372,889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,889</u>	<u>828,240</u>
	(1,024,312)	(188,001)	(4,254,784)	(87,705)	(5,554,802)	1,479,344
Total Operating Surplus/(Deficit)	713,241	589,076	(1,143,609)	115,178	273,886	9,745
Balance forward Surplus/(Deficit)	<u>2,644,876</u>	<u>1,108,090</u>	<u>2,074,365</u>	<u>(392,129)</u>	<u>5,435,202</u>	<u>5,425,457</u>
Accumulated Surplus/(Deficit)	<u>\$ 3,358,117</u>	<u>\$ 1,697,166</u>	<u>\$ 930,756</u>	<u>\$ (276,951)</u>	<u>\$ 5,709,088</u>	<u>\$ 5,435,202</u>
<b>Surplus Allocation</b>						
Unappropriated Surplus	\$ 779,117	\$ 1,697,166	\$ 930,756	\$ (276,951)	\$ 3,130,088	\$ 3,017,202
2012 Appropriated Surplus	<u>2,579,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,579,000</u>	<u>2,418,000</u>
	<u>\$ 3,358,117</u>	<u>\$ 1,697,166</u>	<u>\$ 930,756</u>	<u>\$ (276,951)</u>	<u>\$ 5,709,088</u>	<u>\$ 5,435,202</u>

## City of Prince Rupert

### Consolidated Statement of Change in Net Financial Assets For The Year Ended December 31

	<b>2011</b>	<b>2010</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>
Revenue Over Expenditure (Statement B)	\$ 4,534,007	\$ (3,362,081)
Acquisition of Tangible Capital Assets	(5,020,108)	(3,139,100)
Amortization of Tangible Capital Assets	1,620,656	1,892,482
Writedown of Capital Assets	291,314	-
City West Cable and Tel. Corp. (Increase)/Decrease in Equity	(370,000)	3,945,000
Lease Debt Paid by City West Cable and Telephone Corp.	-	3,457
Change in Inventory	<u>(255,453)</u>	<u>100,634</u>
Change in Net Financial Assets	<u>\$ 800,416</u>	<u>\$ (559,608)</u>
Net Financial Assets/(Debt) at Beginning of Year	<u>\$ 4,752,477</u>	<u>\$ 5,312,085</u>
Net Financial Assets/(Debt) at End of Year	<u><u>\$ 5,552,893</u></u>	<u><u>\$ 4,752,477</u></u>

## City of Prince Rupert

### Consolidated Statement of Cash Flows For The Year Ended December 31

	<u>2011</u>	<u>2010</u>
<b>Operating Activities</b>		
Revenue Over Expenditure	\$ 4,534,007	\$ (3,362,081)
Non-cash Items		
Amortization	1,620,656	1,892,482
Write down of Tangible Capital Assets	291,314	-
City West Cable & Tel. Corp (Income)/loss	(1,370,000)	3,945,000
Taxes Receivable	(16,551)	(118,247)
General Receivables	988,426	(351,391)
Loan to Museum	189,510	190,188
Inventory	(255,453)	100,634
Accounts Payable and Accrued Liabilities	1,755,467	625,662
Deferred Revenue	616,312	57,827
Landfill Closure Costs	170,000	428,482
Cash Provided by Operating Activities	<u>\$ 8,523,688</u>	<u>\$ 3,408,556</u>
<b>Financing Activities</b>		
New Lease Borrowing	\$ -	\$ 472,307
Principal Repayments	<u>(661,763)</u>	<u>(764,717)</u>
Cash provided by/(applied to) Financing Activities	<u>\$ (661,763)</u>	<u>\$ (292,410)</u>
<b>Investing Activities</b>		
Tangible Capital Assets Additions	\$ (5,020,108)	\$ (3,139,100)
City West Cable & Tel. Corp. Loan Repayment	<u>1,000,000</u>	<u>3,457</u>
Cash Provided by/(applied to) Investing Activities	<u>\$ (4,020,108)</u>	<u>\$ (3,135,643)</u>
Increase/(Decrease) in Cash and Cash Equivalents	\$ 3,841,817	\$ (19,497)
Cash and Cash Equivalents at Beginning of Year	<u>14,439,738</u>	<u>14,459,235</u>
Cash and Cash Equivalents at End of Year	<u>\$ 18,281,555</u>	<u>\$ 14,439,738</u>

## City of Prince Rupert

### Statement of Bylaw and Statutory Reserve Fund Balances December 31, 2011

Reserves	<u>Bylaw Reserves</u>			<u>Statutory Reserves</u>				<u>Total</u>
	<u>General Reserve</u>	<u>Public Works General Equipment</u>	<u>Ferry Maintenance</u>	<u>Capital Assets &amp; Land Acquisition</u>	<u>Parkland Reserves</u>	<u>Parking Space Requirements</u>	<u>Cemetery Care Trust</u>	
Balance Beginning of Year	\$ 3,416,143	\$ 698,424	\$ -	\$ 1,682,986	\$ 5,953	\$ 117,419	\$ 166,135	\$ 6,087,060
Interest Income	35,322	7,221	-	17,401	62	2,014	3,310	65,330
Net Proceed from Land Sales	-	-	-	617,289	-	-	-	617,289
Transfers (to)/from Other Funds	(142,741)	(330,148)	100,000	-	-	-	-	(372,889)
Balance End of Year	<u>\$ 3,308,724</u>	<u>\$ 375,497</u>	<u>\$ 100,000</u>	<u>\$ 2,317,676</u>	<u>\$ 6,015</u>	<u>\$ 119,433</u>	<u>\$ 169,445</u>	<u>\$ 6,396,790</u>
<b>Reserve Allocation</b>								
2012 Budget Appropriations	\$ 1,690,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,690,000
Unappropriated Reserve	<u>1,618,724</u>	<u>375,497</u>	<u>100,000</u>	<u>2,317,676</u>	<u>6,015</u>	<u>119,433</u>	<u>169,445</u>	<u>4,706,790</u>
Balance End of Year	<u>\$ 3,308,724</u>	<u>\$ 375,497</u>	<u>\$ 100,000</u>	<u>\$ 2,317,676</u>	<u>\$ 6,015</u>	<u>\$ 119,433</u>	<u>\$ 169,445</u>	<u>\$ 6,396,790</u>



**City of Prince Rupert**

**Consolidated Statement of Tangible Capital Assets  
December 31**

	<u>CAPITAL ASSETS</u>				<u>ACCUMULATED AMORTIZATION</u>				<u>NET BOOK VALUE</u>	
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals/ Write-Downs</u>	<u>Closing Balance</u>	<u>Opening Balance</u>	<u>Amortization</u>	<u>Disposals/ Write-Downs</u>	<u>Closing Balance</u>	<u>2011</u>	<u>2010</u>
<b>Land</b>	\$ 4,713,920	\$ 22,575	\$ -	\$ 4,736,495	\$ -	\$ -	\$ -	\$ -	\$ 4,736,495	\$ 4,713,920
<b>Buildings</b>	9,977,009	-	(329,353)	9,647,656	5,737,881	206,522	(38,039)	5,906,364	3,741,292	4,239,128
<b>Equipment</b>	6,732,396	468,760	(560,000)	6,641,156	4,481,818	367,779	(560,000)	4,289,597	2,351,559	2,250,578
<b>Infrastructure</b>	<u>72,775,946</u>	<u>4,528,773</u>	<u>(31,426)</u>	<u>77,273,293</u>	<u>36,643,531</u>	<u>1,046,355</u>	<u>(31,426)</u>	<u>37,658,460</u>	<u>39,614,833</u>	<u>36,132,415</u>
	<u>\$ 94,199,271</u>	<u>\$ 5,020,108</u>	<u>\$ (920,779)</u>	<u>\$ 98,298,600</u>	<u>\$ 46,863,230</u>	<u>\$ 1,620,656</u>	<u>\$ (629,465)</u>	<u>\$ 47,854,421</u>	<u>\$ 50,444,179</u>	<u>\$ 47,336,041</u>

## City of Prince Rupert

### City West Cable & Telephone Corporation Statement of Financial Position December 31

	<u>2011</u>	Adjusted <u>2010</u>
<b>ASSETS</b>		
City West Cable & Telephone Corporation		
Investment	\$ 1	\$ 1
Loan	21,732,762	22,732,762
Equity	<u>6,304,000</u>	<u>4,934,000</u>
	<u>\$ 28,036,763</u>	<u>\$ 27,666,763</u>
<b>LIABILITIES AND EQUITY</b>		
Equity, Beginning of Year	\$ 27,666,763	\$ 33,897,359
Prior Period Adjustment from Corporation and IFRS restatement	-	(2,285,596)
Net Income/(Loss) of Corporation	1,370,000	(3,945,000)
Transfer to operating fund	<u>(1,000,000)</u>	<u>-</u>
Equity, End of Year	<u>28,036,763</u>	<u>27,666,763</u>
	<u>\$ 28,036,763</u>	<u>\$ 27,666,763</u>

## City of Prince Rupert

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### Statement of Changes in Investment in Tangible Capital Assets December 31

	<u>2011</u>	<u>2010</u>
Opening Balance	\$ 41,262,408	\$ 39,917,025
Tangible Capital Assets Purchased By Operations	5,020,108	3,139,100
Museum Loan Principal Repayment	(189,510)	(190,188)
Less: New Lease Borrowing	-	(472,307)
Debenture Debt Repayment	355,239	369,243
Actuarial Additions	129,548	152,007
Lease Repayment	176,976	240,010
Writedown of Tangible Capital Assets	(291,314)	-
Amortization	<u>(1,620,656)</u>	<u>(1,892,482)</u>
Closing Balance	<u>\$ 44,842,799</u>	<u>\$ 41,262,408</u>

# City of Prince Rupert

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## Notes to the Consolidated Financial Statements December 31, 2011

### 1) Significant accounting policies

#### a) *Basis of presentation*

It is the Municipality's policy to follow accounting principles generally accepted for British Columbia Municipalities and to apply such principles consistently. These consolidated statements include the operations of the General, Water, Sewer, Solid Waste, Telephone, Capital and Reserve Funds. They have been prepared using guidelines issued in the CICA Public Sector Accounting Handbook.

#### b) *Revenue recognition*

The accrual method for reporting revenues and expenditures has been used.

Revenues are normally recognized in the year in which they are earned and measurable

Government transfers are recognized in the financial statements as revenue in the period in which the eligibility criteria have been met and reasonable estimates of the amounts can be made. Transfers received for which the expenditures have not yet been incurred are reported as deferred revenue.

Deferred revenue includes grants, contributions and other amounts received from third parties which are specifically designated and the expenditures have not yet been incurred.

#### c) *Tangible capital assets*

Tangible capital assets are reported at cost. Donated assets are reported at fair market value at the time of donation. Tangible capital assets are amortized using the straight-line method as follows:

Buildings	50 years
Equipment	5 to 20 years
Infrastructure	40 to 100 years

#### d) *Inventory*

Inventory is reported at average cost.

#### e) *Estimates*

The preparation of financial statements in accordance with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates

#### f) *Financial instruments*

The City's financial instruments consist of cash, taxes and accounts receivable, accounts payable, accruals and deferred revenue, capital leases and debenture debt. It is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying value.

# City of Prince Rupert

## Notes to the Consolidated Financial Statements December 31, 2011

### 2) Receivables

	<u>2011</u>	<u>2010</u>
Taxes receivable	\$ 9,566,636	\$ 9,050,085
Allowance for doubtful tax accounts	(500,000)	-
Net Taxes Receivable	\$ 9,066,636	\$ 9,050,085

A portion of the Taxes Receivable is secured by parcels of land that the City is selling.

	<u>2011</u>	<u>2010</u>
General receivables		
General receivables	\$ 1,882,589	\$ 2,251,526
Due from City West Cable & Telephone Corp.	36,283	636,283
Other governments	27,733	16,995
	1,946,605	2,904,804
Allowance for doubtful accounts	(30,227)	-
Net general receivables	\$ 1,916,378	\$ 2,904,804

### 3) Museum loan receivable

Funds were loaned to the Northern British Columbia Museum Association for the purchase of the Museum building. The City in turn borrowed the funds from the Municipal Finance Authority. The interest rate is a variable rate set by the Municipal Finance Authority. The loan term is five years with the outstanding balance and interest due June 30, 2014. The balance of the loan will be repaid by annual grants of \$192,850 given by the City of Prince Rupert. The loan is secured by a first charge on land and improvements owned by the Museum.

### 4) Municipal Finance Authority reserve deposits

The City issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The City also executes demand notes in connection with each debenture whereby the Municipality may be required to loan certain amounts to the Municipal Finance Authority.

As of December 31, the total Debt Reserve Fund was comprised of

	<u>2011</u>	<u>2010</u>
General	\$ 105,790	\$ 102,302
Water	39,996	38,678
	\$ 145,786	\$ 140,980

# City of Prince Rupert

## Notes to the Consolidated Financial Statements December 31, 2011

### 5) Payables, accruals, and deferred Revenue

	<u>2011</u>	<u>2010</u>
a) Accounts payable		
Trade payables	\$ 3,261,688	\$ 1,925,525
Accrued liabilities	\$ 1,134,724	\$ 548,703
Accrued interest payable - MFA	81,999	83,518
Taxes due to other governments	2,061,847	2,130,515
Salaries, wages, other payroll payables	3,636,461	3,958,068
Holdbacks and deposits	292,105	67,028
	<u>\$ 10,468,824</u>	<u>\$ 8,713,357</u>
b) Deferred revenue		
Prepaid taxes	\$ 1,017,367	\$ 962,076
Other deferred revenue	3,384,106	2,823,085
	<u>\$ 4,401,473</u>	<u>\$ 3,785,161</u>

### 6) Debentures / leases for the City

Debenture debt and leases are with the Municipal Finance Authority and are being repaid in accordance with approved bylaws and agreements.

### 7) Investment in City West Cable & Telephone Corp.

The City is the sole shareholder of City West Cable and Telephone Corp. (the "Company"). The investment in the Company is reported using the modified equity method. During the year, the City received income of \$60,000 as management fees.

Financial information for the Company as at December 31 is as follows

	<u>2011</u>	<u>Adjusted 2010</u>
Assets	\$ 51,645,000	\$ 55,313,000
Liabilities to Arms-length parties	\$ 23,572,000	\$ 27,289,000
Net Income/(loss)	\$ 1,370,000	\$ (3,945,000)

### 8) Commitments and contingencies:

#### a) Pension information

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 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

# City of Prince Rupert

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## Notes to the Consolidated Financial Statements December 31, 2011

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

The City of Prince Rupert paid \$890,851 for employer contributions to the plan in fiscal 2011.

**b) *Landfill closure costs***

The City is responsible for closing the landfill in accordance with the Ministry of Environment regulations. The closure costs have been fully accrued based on the latest landfill closure plan.

**c) *Third party claims***

The City has various lawsuits and claims pending by and against it. It is the opinion of management that the determination of these claims will not materially affect the financial position or the operating results of the City.

**d) *Guarantees***

The City has provided loan guarantee of \$40,000 for the Prince Rupert Golf Course Society. The balance of loan with Northern Savings Credit Union is \$27,225.77 as at Dec 31, 2011 and matures Dec 15, 2013

**9) *Change in comparative figures***

Certain figures have been restated for comparative purposes.

## City of Prince Rupert

### Schedule of Tax Revenues For The Year Ended December 31

	Unaudited 2011 Budget	2011 Actual	2010 Actual
<b>Real Property Taxes</b>			
Municipal Property Tax			
Residential	\$ 6,290,000	\$ 6,289,997	\$ 6,118,014
Utilities	150,000	150,401	147,805
Major Industry	2,714,000	2,713,688	2,660,122
Light Industry	450,000	475,883	411,016
Business	4,377,000	4,373,328	4,171,047
Recreational	17,000	17,425	17,016
	<u>\$ 13,998,000</u>	<u>\$ 14,020,722</u>	<u>\$ 13,525,020</u>
Less: Tax Sharing with District of Port Edward	\$ (575,000)	\$ (552,639)	\$ (555,307)
	<u>\$ 13,423,000</u>	<u>\$ 13,468,083</u>	<u>\$ 12,969,713</u>
<b>Special Payments</b>			
Port Competitiveness Tax Grant	\$ 1,522,000	\$ 1,542,848	\$ 1,521,546
Revenue Tax	438,000	434,843	495,853
Specified Area Tax	61,000	60,951	60,951
Payments in Lieu of Tax			
Federal Government Properties	200,000	201,376	202,473
Prince Rupert Port Authority	274,000	320,404	274,056
	<u>474,000</u>	<u>521,780</u>	<u>476,529</u>
Grants in Lieu of Tax			
Provincial Government Properties	187,000	282,177	186,938
BC Buildings Corp.	60,000	61,024	60,855
BC Housing Commission	85,000	84,236	84,536
BC Hydro and Power Authority	41,000	47,273	40,548
Insurance Corporation of BC	5,000	9,458	4,531
	<u>378,000</u>	<u>484,168</u>	<u>377,408</u>
	<u>\$ 2,873,000</u>	<u>\$ 3,044,590</u>	<u>\$ 2,932,287</u>
<b>Net Tax Revenue</b>	<u>\$ 16,296,000</u>	<u>\$ 16,512,673</u>	<u>\$ 15,902,000</u>



## City of Prince Rupert

### Schedule of Sale of Service Revenues For The Year Ended December 31

	Unaudited 2011 Budget	2011 Actual	2010 Actual
<b>GENERAL FUND</b>			
<b>Protective Services (RCMP)</b>	\$ 42,000	\$ 32,538	\$ 47,017
<b>Transportation Services</b>			
Public Transit	342,000	356,766	332,479
Airport Ferry	985,000	1,172,800	954,075
	<u>\$ 1,327,000</u>	<u>\$ 1,529,566</u>	<u>\$ 1,286,554</u>
<b>Environmental Development Services</b>			
Rezoning / Subdivision Services	7,000	6,695	9,230
Parking	12,000	13,632	89,447
	<u>\$ 19,000</u>	<u>\$ 20,327</u>	<u>\$ 98,677</u>
<b>Public Health (Cemetery)</b>	<u>\$ 40,000</u>	<u>\$ 45,053</u>	<u>\$ 41,065</u>
<b>Recreation and Cultural Services</b>			
Civic Centre Rentals & Programs	203,000	192,683	195,451
Swimming Pool	359,000	371,278	376,259
Arena	160,000	149,598	160,060
Field Rentals	4,000	3,408	3,540
	<u>\$ 726,000</u>	<u>\$ 716,967</u>	<u>\$ 735,310</u>
<b>TOTAL GENERAL OPERATING FUND</b>	\$ 2,154,000	\$ 2,344,451	\$ 2,208,623
<b>SOLID WASTE FUND</b>	\$ 2,205,000	\$ 2,060,460	\$ 2,140,424
<b>WATER FUND</b>	\$ 2,200,000	\$ 2,182,505	\$ 2,190,206
<b>SEWER FUND</b>	\$ 1,909,000	\$ 1,855,090	\$ 1,853,864
	<u>\$ 8,468,000</u>	<u>\$ 8,442,506</u>	<u>\$ 8,393,117</u>

## City of Prince Rupert

### Schedule of Government Transfers For The Year Ended December 31

	Unaudited 2011 Budget	2011 Actual	2010 Actual
<b>Unconditional</b>			
General Operating - Small Community	\$ 339,000	\$ 479,193	\$ 338,681
- Traffic Fines	234,000	344,508	233,822
<b>Total Unconditional</b>	<b>\$ 573,000</b>	<b>\$ 823,701</b>	<b>\$ 572,503</b>
<b>Conditional</b>			
General Operating Fund			
Victim Services	\$ 54,000	\$ 40,095	\$ 52,060
Two Percent (2%) Hotel Tax	150,000	160,209	147,327
Casino Revenue	425,000	425,000	425,000
Fire and Emergency Services Grant	26,000	-	29,835
BC Hydro - Tree Planting Grant	-	5,000	-
Ministry of Transport and Villages	-	-	110,487
Northern Development Initiatives	-	-	19,467
Ministry of Transport - Bus Stop Shelters	-	-	20,000
Ministry of Highways	-	29,306	-
Coast Sustainability Trust	-	85,666	135,952
Province of BC - Spirit Square	-	-	128,085
Twinning Grant	-	48,875	-
UBCM Integrated Sustainability Fund	5,000	-	5,000
Public Transportation Infrastructure	26,000	25,591	-
Community Work Fund	-	-	41,604
Olympic Torch Relay Grant	-	-	45,000
RCMP - Video System Grant	84,000	110,979	-
	<b>\$ 770,000</b>	<b>\$ 930,721</b>	<b>\$ 1,159,817</b>
Sewer Fund			
Hays Creek Study Grant	\$ -	\$ -	\$ 10,000
LWMP- Fed of Canadian Municipalities	55,000	-	34,399
Build Canada Fund	2,200,000	2,205,599	458,620
	<b>\$ 2,255,000</b>	<b>\$ 2,205,599</b>	<b>\$ 503,019</b>
<b>Total Conditional</b>	<b>\$ 3,025,000</b>	<b>\$ 3,136,320</b>	<b>\$ 1,662,836</b>
<b>Total Government Transfer</b>	<b>\$ 3,598,000</b>	<b>\$ 3,960,021</b>	<b>\$ 2,235,339</b>

## City of Prince Rupert

### Schedule of Revenue from Own Sources For The Year Ended December 31

	Unaudited 2011 Budget	2011 Actual	2010 Actual
Licences and Permits	\$ 308,000	\$ 355,783	\$ 309,487
Fines	28,000	16,059	21,823
911 Service Fee	200,000	207,964	219,807
	<u>\$ 536,000</u>	<u>\$ 579,806</u>	<u>\$ 551,117</u>
Investment Income	<u>\$ 27,000</u>	<u>\$ 138,509</u>	<u>\$ 78,205</u>
Miscellaneous revenues			
Actuarial Reduction in Debt	\$ -	\$ 129,548	\$ 152,007
Cemetery Care Fund	-	3,310	3,389
Donation from Falcone Estate	141,000	153,872	-
Donation from Prince Rupert Port Authority	-	-	16,000
Donation of Cardio Equipment - Northern Health	-	-	30,000
Gain on Maturing Debt	-	154,084	181,314
MFA - Dividend Income	45,000	-	472
Miscellaneous - General Fund	117,000	281,613	206,228
Parking Space Requirements	-	800	-
Penalties and Interest on Taxes	134,000	295,443	217,031
Rentals	1,342,000	1,334,791	668,564
Rentals - Water Fund	55,000	74,464	60,877
Sale of Gravel - Solid Waste Fund	-	27,193	10,189
Sale of Capital Assets	-	42,842	14,080
Total Miscellaneous Revenues	<u>\$ 1,834,000</u>	<u>\$ 2,497,960</u>	<u>\$ 1,560,151</u>
Total Revenue from Own Sources	<u>\$ 2,397,000</u>	<u>\$ 3,216,275</u>	<u>\$ 2,189,473</u>

## City of Prince Rupert

### Schedule of Expenditure by Objects of Expense For The Year Ended December 31

	Unaudited 2011 Budget	2011 Actual	2010
Wages	\$ 11,833,000	\$ 11,148,521	\$ 10,710,892
Benefits	2,816,000	2,493,634	2,588,199
Professional Fees	770,000	721,954	577,919
Supplies	1,997,750	2,341,884	2,025,520
Services	2,075,250	2,605,767	2,169,185
Energy	1,268,000	1,303,550	1,226,024
Fiscal Expenses	1,203,000	1,742,511	1,695,929
Grants in Aid to Community Partners	1,546,000	1,567,473	1,511,685
Contracts	<u>4,031,000</u>	<u>3,865,213</u>	<u>3,597,877</u>
	27,540,000	27,790,507	26,103,230
Capital Purchases & Capital Works	8,992,000	5,505,642	3,949,142
Less:			
Investments in Tangible Capital Assets	(7,514,000)	(5,020,108)	(3,139,100)
Long Term Debt Repayment	<u>(548,000)</u>	<u>(532,215)</u>	<u>(609,253)</u>
Total Expenses (Statement C)	<u>\$ 28,470,000</u>	<u>\$ 27,743,826</u>	<u>\$ 26,304,019</u>

## City of Prince Rupert

### Schedule of Leases December 31

Lease No.	Purpose	New/ Renewal	Amount of Issue	2010 Balance	Additions	Principal Payments	2011 Balance
<b>General Fund</b>							
11932/2052	Excavator	2001/2006	31,582	2,460	-	(2,460)	-
1584	Flusher Truck	2006	269,695	34,147	-	(34,147)	-
8370	2009 Pierce Fire Truck	2010	472,757	412,419	-	(91,886)	320,533
				\$ 449,026	\$ -	\$ (128,493)	\$ 320,533
<b>Solid Waste Fund</b>							
4256	Refuse/Shupak	2007	\$ 228,887	\$ 77,500	\$ -	\$ (48,483)	\$ 29,017
				\$ 526,526	\$ -	\$ (176,976)	\$ 349,550

## City of Prince Rupert

### Schedule of Debenture Debt December 31

Bylaw No.		No.	Maturity Date	Amount of Issue	2010 Balance	Principal Payment	2010 Accrued Actuarial	2011 Actuarial	2011 Accrued Actuarial	2011 Balance
<b>General Fund</b>										
3129	George Hills Way/Specified Area	75	2021	\$ 700,000	\$ 465,610	\$ (21,170)	\$ 959	\$ (11,671)	\$ (1,091)	\$ 432,637
3201	Uplands Development	94	2025	1,054,348	860,912	(35,406)	1,660	(7,671)	(2,028)	817,467
3201	Cruise Ship Dock	94	2025	3,133,056	2,558,252	(105,213)	4,934	(22,795)	(6,025)	2,429,153
3201	Museum	94	2025	2,465,626	2,013,272	(82,800)	3,882	(17,939)	(4,742)	1,911,673
3199	Morse Creek Bridge	99	2017	535,000	344,261	(44,561)	1,514	(7,569)	(1,926)	291,719
					<u>\$ 6,242,307</u>	<u>\$ (289,150)</u>	<u>\$ 12,949</u>	<u>\$ (67,645)</u>	<u>\$ (15,812)</u>	<u>\$ 5,882,649</u>
<b>Water Fund</b>										
2961	New Water Main	63	2016	1,800,000	701,986	(54,437)	31,130	(53,344)	(34,181)	591,154
					<u>\$ 701,986</u>	<u>\$ (54,437)</u>	<u>\$ 31,130</u>	<u>\$ (53,344)</u>	<u>\$ (34,181)</u>	<u>\$ 591,154</u>
<b>Sewer Fund</b>										
3201	Moresby Sewer Upgrade	94	2025	\$ 346,970	\$ 283,314	\$ (11,652)	\$ 546	\$ (2,524)	\$ (667)	\$ 269,017
					<u>\$ 7,227,607</u>	<u>\$ (355,239)</u>	<u>\$ 44,625</u>	<u>\$ (123,513)</u>	<u>\$ (50,660)</u>	<u>\$ 6,742,820</u>