



City of Richmond

Report to Committee

To: Finance Committee
From: Andrew Nazareth
General Manager, Business & Financial
Services

To Finance - Jun 11, 2008

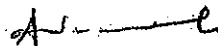
Date: May 21, 2008

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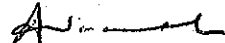
Re: 2007 City of Richmond Audited Consolidated Financial Statements


Staff Recommendation

That the City's audited consolidated financial statements for the year ended December 31, 2007 be approved.


Andrew Nazareth
General Manager, Business & Financial Services
(4095)

Attach.

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO (Acting)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>



Staff Report

Origin

The purpose of this report is to present to Council the City's audited consolidated financial statements for the year ended December 31, 2007 as required by Section 167 (2) of the Community Charter. These financial statements are the responsibility of the City of Richmond's management and have been prepared in accordance with generally accepted accounting principles as established by the Public Sector Accounting Board (PSAB).

Analysis

The primary purpose of the City's financial statements is to provide relevant information to meet the needs of taxpayers, donors, members of Council and other users as well as to satisfy any external reporting requirements. The interests of the external users of financial statements include assessing (a) the cost of services the City provides and its ability to continue to provide those services, and (b) how the City discharges its custodial and stewardship responsibilities and other aspects of their performance.

The consolidated financial statements include the City's General Revenue and Expenditures, General Capital and Loan, Waterworks, Sewerworks and Reserve funds and the Richmond Public Library.

More specifically, the financial statements, including accompanying notes, provide information about:

- a. The City's financial position in terms of its assets, liabilities, and net assets (financial equity),
- b. The effects of transactions and other events and circumstances that change the amount and nature of net assets,
- c. The City's financial activities in terms of its revenues and expenditures and resulting surplus or deficit,
- d. The City's inflows and outflows of cash, its borrowing and repayment of borrowing, and other factors that may affect its liquidity,
- e. The contribution to City's reserves and appropriation of surpluses.

The City has continued to strengthen its financial position in 2007. The following are the highlights as at December 31, 2007 as compared to December 31, 2006:

- The City's cash and investments have increased by \$141.9 million (35.4%) to \$542.4 million.
- Statutory reserves increased by \$108.6 million (65.1%) to \$275.4 million, largely due to the sale of the land adjacent to the Olympic Oval.
- Capital expenditures amounted to \$132.7 million in total as compared to \$71.7 million in 2006.

- Net debt outstanding was reduced by \$2.7 million (11.4%) to \$21.2 million.
- The City ended the year with a consolidated surplus of \$4.3 million or 1.1% of the total budget due mainly to the following.
 - Favourable revenues from building permits and development applications due to an active housing market of approximately \$1.3 million,
 - RCMP contract costs lower than budget due to delayed replacements, approximately \$1.8 million.
 - Other items such as vacant positions, supplies, maintenance, investment income etc.

Financial Impact – None.

Conclusion

Overall, the financial results for 2007 were favourable and the City continues to maintain its strong financial position.



Hari Suvarna
Manager, Budgets and Accounting
(4365)

Consolidated Financial Statements of

CITY OF RICHMOND

Year ended December 31, 2007



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AUDITORS' REPORT

To the Mayor and Council
City of Richmond

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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2007 and the results of its financial activities and its changes in financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Burnaby, Canada

March 26, 2008

CITY OF RICHMOND

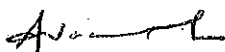
Consolidated Statement of Financial Position
(Expressed in thousands of dollars)

December 31, 2007, with comparative figures for 2006

	2007	2006
Financial Assets		
Cash and cash equivalents	\$ 22,660	\$ 7,408
Investments	519,720	393,068
Accrued interest receivable	14,373	10,461
Accounts receivable	14,254	14,517
Taxes receivable	6,710	7,841
Development fees receivable	13,895	16,529
Debt reserve fund - deposits (note 2)	449	449
	<u>592,061</u>	<u>450,273</u>
Liabilities		
Accounts payable and accrued liabilities (note 3)	75,108	60,678
Deposits and holdbacks	26,429	17,988
Deferred revenue	40,256	31,907
Development cost charges (note 4)	44,553	58,593
Obligations under capital leases (note 5)	566	1,773
Long-term debt, net of MFA sinking fund deposits (note 6)	21,183	23,912
	<u>208,095</u>	<u>194,851</u>
Net financial assets	383,966	255,422
Capital assets (note 7)	1,249,347	1,117,293
Inventory of materials and supplies	2,467	2,197
	<u>\$ 1,635,780</u>	<u>\$ 1,374,912</u>
Financial Equity		
Reserves (note 9)	\$ 275,445	\$ 166,883
Appropriated surplus (note 10)	96,037	86,381
Surplus	34,445	30,148
Obligations to be funded from future revenue	(212)	(2,305)
	<u>405,715</u>	<u>281,107</u>
Capital equity (note 8)	1,227,598	1,091,608
Other equity	2,467	2,197
	<u>\$ 1,635,780</u>	<u>\$ 1,374,912</u>

Commitments and contingencies (note 12)

See accompanying notes to consolidated financial statements.



General Manager Business & Financial Services

CITY OF RICHMOND

Consolidated Statement of Financial Activities
(Expressed in thousands of dollars)

Year ended December 31, 2007, with comparative figures for 2006

	Budget 2007 (unaudited) (note 1(c))	Actual 2007	Actual 2006
Revenue:			
Taxation and levies	\$ 133,817	\$ 135,393	\$ 127,257
User fees	49,918	50,736	45,826
Sales of services	26,811	29,649	28,398
Development cost charges	19,100	34,403	14,708
Provincial and federal grants	14,806	17,792	17,107
Other capital funding sources	19,863	27,586	17,578
Payments-in-lieu of taxes	10,313	11,385	10,535
Other revenue from own sources:			
Investment income	9,174	19,396	15,606
Licenses and permits	6,852	8,413	8,562
Other (note 16)	108,896	141,579	14,757
	<u>399,550</u>	<u>476,332</u>	<u>300,334</u>
Expenditures:			
Community safety	64,600	61,347	52,686
Parks, recreation and cultural services	32,100	31,844	30,321
General government	27,634	26,658	28,431
Engineering and public works	22,645	23,842	21,931
Planning and development	8,972	9,308	9,910
Richmond Public Library	6,639	7,567	7,475
Utilities:			
Sanitation and recycling services	7,428	7,359	6,918
Water supply and distribution	21,498	20,399	18,249
Sewerage collection and disposal	17,490	17,203	14,546
Interest and finance	8,208	9,606	9,900
Capital and infrastructure investments	172,203	132,655	71,714
	<u>389,417</u>	<u>347,788</u>	<u>272,081</u>
Excess of revenue over expenditures	10,133	128,544	28,253
Repayment of debt and capital lease obligations	(2,729)	(3,936)	(8,594)
Increase in financial equity	\$ 7,404	124,608	19,659
Financial equity, beginning of year		281,107	261,448
Financial equity, end of year		\$ 405,715	\$ 281,107

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

Consolidated Statement of Changes in Financial Position
(Expressed in thousands of dollars)

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 128,544	\$ 28,253
Revenue recognized from development cost charges, an item not involving cash	(34,403)	(14,708)
Working capital items:		
Accrued interest receivable	(3,912)	(3,088)
Accounts and taxes receivable	1,394	(4,555)
Development fees receivable	2,634	(3,938)
Debt reserve fund	-	112
Accounts payable and accrued liabilities	14,430	3,573
Deposits and holdbacks	8,441	4,582
Deferred revenue	8,349	(11,133)
	125,477	(902)
Investments:		
Acquisition of short-term investments, net	(126,652)	(23,644)
Financing:		
Development cost charges and interest received (note 4)	20,363	22,252
Repayment of debt and capital lease obligations	(3,936)	(8,594)
	16,427	13,658
Increase (decrease) in cash and cash equivalents	15,252	(10,888)
Cash and cash equivalents, beginning of year	7,408	18,296
Cash and cash equivalents, end of year	\$ 22,660	\$ 7,408

See accompanying notes to consolidated financial statements.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

1. Significant accounting policies:

(a) Basis of accounting:

The consolidated financial statements of the City of Richmond (the "City") are the representation of management prepared in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA). The consolidated financial statements reflect a combination of the City's General Revenue, General Capital and Loan, Waterworks and Sewerworks and Reserve Funds consolidated with the Richmond Public Library Board. Interfund transactions, fund balances and activities have been eliminated on consolidation.

Management is required to make estimates and assumptions that affect the reported amounts in the financial statements and the disclosure of contingent liabilities. Significant areas requiring the use of management estimates relate to the determination of post-employment benefits, the recoverability of accounts receivable and provision for contingencies. The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below for the following funds:

(i) General Revenue Fund:

This fund is used to account for the current operations of the City as provided for in the Annual Budget, including collection of taxes, administering operations, policing and servicing general debt.

(ii) General Capital and Loan Fund:

This fund is used to record the City's capital assets and work-in-progress, including engineering structures such as roads and bridges, and the related long-term debt.

(iii) Waterworks and Sewerworks Funds:

These funds have been established to cover the costs of operating these utilities, with related capital and loan funds to record the related capital assets and long-term debt.

(iv) Reserve Funds:

Certain funds are established by bylaws for specific purposes. They are funded primarily by budgeted contributions from the General Revenue Fund plus interest earned on fund balances.

(b) Revenue:

Revenue is recorded on the accrual basis and recognized when earned. Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the City discharges the obligations that led to the collection of funds.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

1. Significant accounting policies (continued):

(c) Budget information:

Unaudited budget information, presented on a basis consistent with that used for actual results, was included in the City of Richmond's Five Year Financial Plan and was adopted through Bylaw #8216 on May 7, 2007.

(d) Expenditures:

Expenditures are recorded in the period in which the goods or services are acquired or a liability is incurred.

(e) Cash and cash equivalents:

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

(f) Investments:

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

(g) Accounts receivable:

Accounts receivable are net of an allowance for doubtful accounts and therefore represent amounts expected to be collected within the next year.

(h) Inventory of materials and supplies:

Inventory is recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.

(i) Capital assets:

Capital assets and work-in-progress are reported as capital expenditures in the period they are acquired or constructed. Interest incurred on borrowed funds used during construction is capitalized. Donated assets are recorded at their estimated fair market value at the time they are received. The City does not provide for depreciation or replacement of capital assets in the accounts. Proceeds from disposal of capital assets are credited to the appropriate reserve account.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

1. Significant accounting policies (continued):

(j) Development cost charges:

Development cost charges are restricted by legislation to expenditures on capital infrastructure. These amounts are deferred upon receipt and recognized as revenue when the expenditures are incurred in accordance with the restrictions.

(k) Post-employment benefits:

The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Post-employment benefits also accrue to the City's employees. The liabilities related to these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits prorated as employees render services necessary to earn the future benefits.

(l) Future accounting changes:

(i) Tangible capital assets:

The City is in the process of accumulating information and developing its accounting policies related to its tangible capital assets in order to comply with the new Public Sector Accounting Board Standard 3150. This new standard will be applicable to the City's 2009 annual financial statements. As at December 31, 2007, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

(ii) Segment disclosures:

PS2700 *Segment Disclosures* establishes standards on how to define and disclose segments in the City's consolidated financial statements. Key financial information will be required to be separated out to provide relevant information for accountability and decision-making purposes. This new standard will be applicable to the City's 2008 annual financial statements.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

2. Debt reserve fund deposits and demand notes:

The City issues its debt instruments through the Municipal Finance Authority (the "Authority"). As a condition of these borrowings, a portion of the debenture proceeds is withheld by the Authority as a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Authority. These demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and contingent demand notes at December 31, 2007 are as follows:

	Cash deposits	Demand notes	Total
General Revenue Fund	\$ 439	\$ 2,007	\$ 2,446
Sewerworks Revenue Fund	10	48	58
Total	\$ 449	\$ 2,055	\$ 2,504

3. Accounts payable and accrued liabilities:

	2007	2006
Trade and other liabilities	\$ 53,875	\$ 40,999
Post-employment benefits (note 11)	21,233	19,679
	\$ 75,108	\$ 60,678

4. Development cost charges:

	2007	2006
Balance, beginning of year	\$ 58,593	\$ 51,049
Contributions	19,068	21,115
Interest	1,295	1,137
Revenue recognized for expenditures incurred	(34,403)	(14,708)
Balance, end of year	\$ 44,553	\$ 58,593

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

5. Obligations under capital leases:

During 2004, the City entered into an agreement for the sale and leaseback of equipment for proceeds of \$1,825,866. The City accounted for this transaction as a financing arrangement and no gain or loss was recognized. The City has an option at the end of the lease to repurchase the equipment for \$1 each.

Future minimum lease payments under these capital leases expire on July 1, 2009 are as follows:

Year ending December 31:

2008	\$	410
2009		227
Total future minimum lease payments		637
Less amount representing interest (4.61%)		71
Present value of capital lease payments		\$ 566

6. Long-term debt, net of MFA sinking fund deposits:

The rates of interest on the principal amount of the Authority debentures vary between 5.99% and 8.5% per annum. The average rate of interest for the year ended December 31, 2007 approximates 7.2%.

The City obtains debt instruments through the Authority pursuant to security issuing bylaws under authority of the Community Charter to finance certain capital expenditures. Sinking fund balances managed by the Authority are netted against related long-term debt.

Gross amount for the debt and the amount for the sinking fund assets available to retire the debt are as follows:

	Gross debt	Sinking fund asset	Net debt 2007	Net debt 2006
General Fund	\$ 45,396	\$ 24,620	\$ 20,776	\$ 23,448
Sewerworks Fund	1,023	616	407	464
	\$ 46,419	\$ 25,236	\$ 21,183	\$ 23,912

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

6. Long-term debt, net of MFA sinking fund deposits (continued):

Repayments of long-term debt required in the next five years and thereafter are as follows:

	General	Sewerworks	Total
2008	\$ 2,806	\$ 60	\$ 2,866
2009	2,946	63	3,009
2010	3,093	66	3,159
2011	3,248	69	3,317
2012	3,411	73	3,484
Thereafter	5,272	76	5,348
	\$ 20,776	\$ 407	\$ 21,183

7. Capital assets:

	2007	2006
Assets held under capital lease	\$ 1,216	\$ 6,433
Community services	109,213	94,697
General government	210,640	207,168
Protection to persons and property	29,932	24,469
Public works	534,742	523,340
Recreation services	131,774	131,261
Sanitation and waste removal	21,683	20,794
Social welfare	5,068	5,001
Work-in-progress	205,079	104,130
	\$ 1,249,347	\$ 1,117,293

8. Capital equity:

	2007	2006
Balance, beginning of year	\$ 1,091,608	\$ 1,012,871
Capital additions (net)	132,054	70,143
Repayment of debt	2,729	7,161
Payment of capital lease obligations	1,207	1,433
Change in equity in capital assets	135,990	78,737
Balance, end of year	\$ 1,227,598	\$ 1,091,608

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
 (Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

9. Reserves:

	2006	Change during year	2007
Reserve funds:			
Affordable housing	\$ 6,873	\$ 2,556	\$ 9,429
Capital building and infrastructure	13,159	3,047	16,206
Capital reserve	62,681	5,826	68,507
Child care development	145	286	431
Community legacy and land replacement	-	88,094	88,094
Drainage improvement	7,264	1,787	9,051
Equipment replacement	11,595	(65)	11,530
Leisure facilities	898	331	1,229
Local improvements	5,090	(256)	4,834
Neighbourhood improvement	5,274	(105)	5,169
Public art program	388	71	459
Sanitary sewer	16,430	2,247	18,677
Steveston off-street parking	169	18	187
Steveston road ends	419	(123)	296
Waterfront improvement	2,385	(109)	2,276
Watermain replacement	34,113	4,957	39,070
	\$ 166,883	\$ 108,562	\$ 275,445

10. Appropriated surplus:

	2007	2006
Appropriated surplus, beginning of year	\$ 86,381	\$ 66,308
Addition in the year	39,792	54,946
Usage	(30,136)	(34,873)
Appropriated surplus, end of year	\$ 96,037	\$ 86,381

Surplus amounts are appropriated or reserved for certain types of expenditures that may be incurred in the future. Surplus appropriations to December 31, 2007 have been made in the General, Waterworks and Sewerworks Funds. These expenditures would be for such items as unexpected human resource issues, emergency or disaster recovery, debt requirements and future capital maintenance programs.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

11. Post-employment benefits:

The City provides certain post-employment benefits, non-vested sick leave, compensated absences and termination benefits to its employees.

	2007	2006
Balance, beginning of year	\$ 19,679	\$ 18,302
Current service cost	1,255	1,328
Interest cost	1,131	861
Plan amendment	65	-
Amortization of actuarial loss	607	181
Benefits paid	(1,504)	(993)
Balance, end of year	\$ 21,233	\$ 19,679

An actuarial valuation for these benefits was performed to determine the City's accrued benefit obligation as at December 31, 2007. The difference between the actuarially determined accrued benefit obligation of \$24.7 million and the liability of \$21.2 million as at December 31, 2007 is an actuarial loss of \$3.5 million. This actuarial loss is being amortized over a period equal to the employees' average remaining service lifetime of 9 years.

	2007	2006
Actuarial benefit obligation:		
Liability, end of year	\$ 21,233	\$ 19,679
Unamortized net actuarial loss	3,447	5,217
Balance, end of year	\$ 24,680	\$ 24,896

Actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	2007	2006
Discount rate	4.75%	4.50%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	3.50%	3.50%

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

12. Commitments and contingencies:

(a) Joint and several liabilities:

As a member of the following districts, the City is jointly and severally liable for each district's applicable portion of the net capital liability:

Greater Vancouver Regional District
Greater Vancouver Water District
Greater Vancouver Sewerage and Drainage District

(b) Lease payments:

In addition to the obligations under capital leases, at December 31, 2007, the City was committed to operating lease payments for premises and equipment in the following approximate amounts:

2008	\$ 4,110
2009	4,087
2010	4,154
2011	4,098
2012	3,978
Thereafter	46,561

(c) Litigation:

As at December 31, 2007, there were a number of legal claims in various stages of litigation. The City has made no specific provision for these where the outcome is presently not determinable.

(d) Municipal Insurance Association of British Columbia:

The City is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of premiums received, it is possible that the City, along with other participants, would be required to contribute towards the deficit.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

12. Commitments and contingencies (continued):

(e) Pensions:

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including the 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 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The City paid \$6,896,143 (2006 - \$6,353,699) for employer contributions to the Plan in fiscal 2007. Employee contributions totalled \$5,559,084 in 2007 (2006 - \$5,206,789).

(f) Contractual obligation:

The City has entered into various contracts for services and construction with periods ranging beyond one year. These commitments are in accordance with budgets passed by Council.

(g) E-Comm Emergency Communications for Southwest British Columbia ("E-Comm"):

The City is a shareholder of the Emergency Communications for Southwest British Columbia Incorporated (E-Comm) whose services provided include: regional 9-1-1 call centre for Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has 2 Class A shares and 1 Class B share (of a total of 24 Class A and 24 Class B shares issued and outstanding as at December 31, 2007). As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date. As a Class B shareholder, the City is only obligated to share in funding of the ongoing operating costs.

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

13. Trust funds:

Certain assets have been conveyed or assigned to the City to be administered as directed by agreement or statute. The City holds the assets for the benefit of and stands in fiduciary relationship to the beneficiary. The following trust funds are excluded from the City's financial statements.

	2007	2006
Richmond Community Associations	\$ 1,165	\$ 1,162

14. Collections for other governments:

The City is obligated to collect and transmit certain taxation revenue on behalf of other government bodies. These funds are excluded from the City's financial statements since they are not revenue of the City. Such taxes collected and remitted to the government bodies during the year are as follows:

	2007	2006
Province of British Columbia - Schools	\$ 112,484	\$ 109,135
Greater Vancouver Regional District and others	33,981	32,183
	\$ 146,465	\$ 141,318

15. Expenditures by object:

	2007	2006
Wages, salaries and benefits	\$ 93,949	\$ 87,784
Contract services	38,732	36,064
Supplies, materials and capital	205,501	138,333
Debt charges	9,606	9,900
	\$ 347,788	\$ 272,081

CITY OF RICHMOND

Notes to Consolidated Financial Statements (continued)
(Tabular amounts expressed in thousands of dollars)

Year ended December 31, 2007

16. Other revenue:

Other revenue in 2007 includes the proceeds from the sale of properties in the amount of \$126,829,856. Of this amount, \$126,618,081 relates to the net revenue recognized pertaining to the sale of the river front lands. The revenue was not budgeted for, and is not expected to recur in future periods.

17. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.