

DISTRICT OF LANTZVILLE
FINANCIAL STATEMENTS
DECEMBER 31, 2006
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**DISTRICT OF LANTZVILLE
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006**

Management's Responsibility

To the Mayor and Council of District of Lantzville:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.

The Mayor and Council are composed entirely of persons who are neither management nor employees of the District. The Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Mayor and Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Mayor and Council are also responsible for the appointment of the District's external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the Mayor and Council to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with both the Mayor and Council and management to discuss their audit findings.

February 12, 2007


Twyla Graff, Chief Administrative Officer



MEYERS NORRIS PENNY_{LLP}

AUDITORS' REPORT

To the Mayor and Council
District of Lantzville

We have audited the consolidated statement of financial position of the District of Lantzville as at December 31, 2006 and the consolidated statements of financial activities, changes in financial position, changes in operating fund balances, changes in capital fund balances, changes in reserve fund balances and the related schedule for the year then ended. These financial statements are the responsibility of the District'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 District as at December 31, 2006 and the results of its financial activities and the changes in its financial position for the year then ended in accordance with Canadian Generally Accepted Accounting Principles.

Meyers Norris Penny LLP

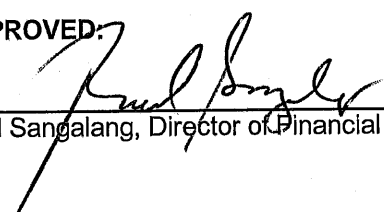
Nanaimo, B.C.
February 12, 2007

CHARTERED ACCOUNTANTS

**DISTRICT OF LANTZVILLE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2006**

	<u>December 31, 2006</u>	<u>December 31, 2005</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 3,283,138	\$ 3,827,113
Accounts receivable (note 4)	983,846	223,996
Investment in Lantzville Woodlot Corporation	-	1
	4,266,984	4,051,110
LIABILITIES		
Accounts payable and accrued liabilities (note 5)	656,738	334,820
Deferred grant and contribution revenue (note 6)	1,093,400	50,966
Restricted revenue (note 7)	32,032	30,772
	1,782,170	416,558
NET FINANCIAL ASSETS	2,484,814	3,634,552
NON-FINANCIAL ASSETS		
Physical assets (note 8)	11,381,446	7,630,096
	\$ 13,866,260	\$ 11,264,648
Commitments and Contingencies (Note 13)		
FUND BALANCES (note 2(a))		
Operating	1,030,868	1,237,397
Capital	-	-
Reserve (note 9)	1,453,946	2,397,155
	2,484,814	3,634,552
EQUITY IN PHYSICAL ASSETS (note 10)	11,381,446	7,630,096
	\$ 13,866,260	\$ 11,264,648

APPROVED:



Paul Sangalang, Director of Financial Services

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	For the year ended December 31, 2006	2006 Budget	For the year ended December 31, 2005
REVENUE			
Net Taxes (Schedule 1)	\$ 1,609,882	\$ 1,597,150	\$ 1,538,974
Revenue from own sources	372,604	368,200	310,881
Interest	132,275	92,000	86,448
Provincial transfers (note 11)	1,775,530	3,471,000	547,256
Developer contributions	-	981,000	214,093
Other	32,192	17,200	43,903
	<u>3,922,483</u>	<u>6,526,550</u>	<u>2,741,555</u>
EXPENDITURES			
General government services	1,399,898	1,424,350	563,394
Legislative	83,476	139,400	285,676
Protective services	215,567	309,000	154,653
Interest on long-term debt	-	-	9,599
Environmental health	125,702	134,200	127,390
Parks & recreation	12,147	70,900	15,955
Planning	68,445	131,100	86,470
Street lighting	44,636	50,900	45,272
Public works	199,351	441,700	403,209
Water	1,806,370	2,525,400	458,359
Sewer	1,116,628	4,012,350	1,587
Share in loss incurred by Lantzville Woodlot Corporation	-	-	3,975
Loss on Disposal of investment in Lantzville Woodlot Corporation	1	-	-
	<u>5,072,221</u>	<u>9,239,300</u>	<u>2,155,539</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES FROM OPERATIONS	(1,149,738)	(2,712,750)	586,016
Transfer of land from Lantzville Woodlot Corporation	-	-	(259,000)
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES	(1,149,738)	(2,712,750)	327,016
Principal repaid	-	-	(88,263)
(DECREASE) INCREASE IN CONSOLIDATED FUND BALANCES	(1,149,738)	(2,712,750)	238,753
CONSOLIDATED FUND BALANCES, BEGINNING OF PERIOD	3,634,552	3,634,552	3,395,799
CONSOLIDATED FUND BALANCES, END OF PERIOD	\$ 2,484,814	\$ 921,802	\$ 3,634,552

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2006**

	For the year ended December 31, 2006	For the year ended December 31, 2005
OPERATING ACTIVITIES		
(Deficiency) Excess of Revenues Over Expenditures	\$ (1,149,738)	\$ 327,016
Changes in non-cash financial assets		
Decrease (increase) in accounts receivable	(759,850)	262,332
Decrease in Investment in Lantzville Woodlot Corporation	1	263,175
Increase in restricted revenue	1,260	759
Increase in accounts payable and accrued liabilities	321,918	47,134
Increase in deferred grant and contribution revenue	1,042,434	50,967
	<u>605,763</u>	<u>624,367</u>
	(543,975)	951,383
FINANCING ACTIVITIES		
Decrease in debt	-	(88,263)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(543,975)	863,120
CASH AND CASH EQUIVALENTS, beginning	3,827,113	2,963,993
CASH AND CASH EQUIVALENTS, ending	<u>\$ 3,283,138</u>	<u>\$ 3,827,113</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE
CONSOLIDATED STATEMENT OF CHANGES IN OPERATING FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	For the year ended December 31, 2006	2006 Budget	For the year ended December 31, 2005
REVENUE			
Net Taxes (Schedule 1)	\$ 1,609,882	\$ 1,597,150	\$ 1,538,974
Revenue from own sources	372,604	368,200	310,881
Interest	42,584	43,000	34,211
Provincial transfers	1,775,530	3,471,000	547,256
Other	32,192	17,200	43,903
Developer Contributions	-	981,000	-
	<u>3,832,792</u>	<u>6,477,550</u>	<u>2,475,225</u>
EXPENDITURES			
General government services	555,245	605,050	542,237
Legislative	83,476	139,400	285,676
Protective services	179,204	222,000	154,653
Interest on long-term debt	-	-	9,599
Environmental health	125,702	134,200	127,390
Parks & recreation	12,147	55,900	15,955
Planning	68,445	131,100	86,470
Street lighting	44,636	50,900	45,273
Public works	199,351	264,700	180,899
Water	50,396	104,400	95,998
Sewer	2,266	5,350	1,587
Share in loss incurred by Lantzville Woodlot Corporation	-	-	3,975
Loss on Disposal of investment in Lantzville Woodlot Corporation	1	-	-
	<u>1,320,869</u>	<u>1,713,000</u>	<u>1,549,712</u>
EXCESS OF REVENUE OVER EXPENDITURES	2,511,923	4,764,550	925,513
Transfer of land from Lantzville Woodlot Corporation	-	-	(259,000)
Transfers to capital	(3,751,353)	(7,526,300)	(391,735)
Transfers from reserves	1,262,379	1,914,300	-
Transfers to reserves	(229,478)	(288,400)	(254,516)
Principal repaid	-	-	(88,263)
DECREASE IN CONSOLIDATED OPERATING FUND BALANCES	(206,529)	(1,135,850)	(68,001)
CONSOLIDATED OPERATING FUND BALANCES, BEGINNING OF PERIOD	1,237,397	1,237,397	1,305,398
CONSOLIDATED OPERATING FUND BALANCES, END OF PERIOD	<u>\$ 1,030,868</u>	<u>\$ 101,547</u>	<u>\$ 1,237,397</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE
CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	For the year ended December 31, 2006	2006 Budget	For the year ended December 31, 2005
REVENUE ALLOCATED TO CAPITAL FUND			
INTERNAL TRANSFERS			
From operating funds	\$ 3,751,353	\$ 7,526,300	\$ 391,735
Developer contributions	-	-	214,093
	<u>3,751,353</u>	<u>7,526,300</u>	<u>605,828</u>
EXPENDITURES			
General government services	844,653	819,300	21,157
Protective services	53,863	87,000	-
Parks & recreation	-	15,000	-
Public Works	-	177,000	222,310
Sewer	1,114,363	4,007,000	-
Water	1,738,474	2,421,000	362,361
	<u>3,751,353</u>	<u>7,526,300</u>	<u>605,828</u>
INCREASE IN CONSOLIDATED CAPITAL FUND BALANCES	-	-	-
CONSOLIDATED CAPITAL FUND BALANCES, BEGINNING OF PERIOD	-	-	-
CONSOLIDATED CAPITAL FUND BALANCES, END OF PERIOD	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE
CONSOLIDATED STATEMENT OF CHANGES IN RESERVE FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2006**

	For the year ended December 31, 2006	2006 Budget	For the year ended December 31, 2005
CHANGES IN RESERVE FUND BALANCES			
Transfers from operating funds	\$ 229,478	\$ 288,400	\$ 254,516
Interest earned	89,692	49,000	52,237
Transfers to operating funds	(1,262,379)	(1,914,300)	-
(DECREASE) INCREASE IN CONSOLIDATED RESERVE FUND BALANCE	(943,209)	(1,576,900)	306,753
CONSOLIDATED RESERVE FUND BALANCES, BEGINNING OF PERIOD	2,397,155	2,397,155	2,090,402
CONSOLIDATED RESERVE FUND BALANCES, END OF PERIOD (note 9)	\$ 1,453,946	\$ 820,255	\$ 2,397,155

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006**

1. INCORPORATION OF THE DISTRICT OF LANTZVILLE

The District of Lantzville is a municipality that was incorporated on June 25, 2003 pursuant to the issue of letters patent dated April 3, 2003. All of the assets, liabilities and operations of the Lantzville Improvement District and the Sunset Beach Improvement District were transferred to the District of Lantzville effective midnight June 25, 2003, as required by the Order of the Lieutenant Governor in Council of the Province of British Columbia dated April 3, 2003. These improvement districts were subsequently dissolved.

Its principal activities include the provision of local government services to residents of the incorporated area. These include general government, fire protection, environmental health, parks and recreation, planning and development, water utility, sewer utility and fiscal services.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

The District of Lantzville, (the District), follows accounting principles generally accepted for British Columbia municipalities. The financial statements have been prepared using guidelines issued by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

The financial resources and operations of the District have been consolidated for financial statement purposes and include the accounts of all of the funds of the District, the General, Water, Sewer, Capital and Reserve Funds.

Operating Funds – These funds comprise the principal operating activities of the District and include the sewer and water utilities. As at December 31, 2006, the fund balances were as follows:

	<u>2006</u>	<u>2005</u>
General Fund	\$462,279	\$821,220
Water Fund	562,180	412,867
Sewer Fund	6,409	3,310
Total all funds	\$1,030,868	\$1,237,397

Capital Funds – These funds are used to acquire capital assets. The fund balances represent the differences between the cost of capital assets acquired and the funding which has been obtained. During 2005 and 2006 all capital asset acquisitions were fully funded.

Reserve Funds – These funds have been created to hold assets for specific future requirements. They are comprised of the funds shown in note 9.

Certain amounts, as approved by Council, are set aside in reserves for future operating and capital expenditures. Transfers to and/or from are reflected as an adjustment to the respective fund.

(b) Revenue recognition

Tax revenues are recognized in the year that they are levied. Operating grants are recognized when they are earned. Capital grants and Developer contributions are recognized when the related expenditure is incurred and when collection is reasonably assured. Water fees are recognized when the commodity has been received by the customer. Parkland acquisition amounts are deferred and then recognized as revenue in the year that an expenditure authorized by by-law is incurred. Interest and penalties are recognized when earned.

**DISTRICT OF LANTZVILLE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006**

(c) Physical assets

Physical assets with a purchase or construction value exceeding \$10,000 are reported as capital expenditures and are classified according to their functional use. Physical assets that are donated are reported at their fair market value at the time of donation. Amortization is not recorded, and the District follows a policy of appropriating surplus for major asset replacements and improvements.

(d) Financial instruments

The District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, credit or currency risks arising from these financial instruments.

(e) Use of estimates

Preparation of financial statements in accordance with accounting principles generally accepted for municipalities requires management to make estimates based upon assumptions. These estimates and assumptions affect the amounts of assets and liabilities reported or disclosed as at the date of the financial statements and the reported amount of revenues and expenditures during the period. Significant areas requiring the use of management estimates relate to the collectibility of accounts receivable, accruals for expected employee compensated absences, and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

(f) Employee Benefits

The District recognizes expenses relating to employee benefits in the period in which the employees render services in return for the benefits, including compensated employee absences that accumulate but do not vest. Absences due to employee illness are paid when an injury or illness occurs, but entitlement to such compensation arises as employees render service. Entitlement to compensated absence due to illness or injury is measured as the expected future utilization of this benefit.

3. CASH AND CASH EQUIVALENTS

December 31 cash balances include amounts designated for specific future purposes (note 9) and deposits held in trust as follows:

	<u>2006</u>	<u>2005</u>
Cash available for operations	\$1,767,553	\$1,383,403
Developer deposit held in trust (note 5)	29,607	15,783
Restricted revenue (note 7)	32,032	30,772
Cash designated for asset replacement	1,453,946	2,397,155
Total	\$3,283,138	\$3,827,113

Cash deposited at the Coastal Community Credit Union earns interest at the rate of prime minus 2%. Cash deposited at the Municipal Finance Authority (\$945,067 as at December 31, 2006 and \$1,034,815 as at December 31, 2005) is invested in the MFABC Money Market Fund, whose market value is equal to its cost.

DISTRICT OF LANTZVILLE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006

4. ACCOUNTS RECEIVABLE

Accounts receivable comprise the following as at December 31:

	<u>2006</u>	<u>2005</u>
Other governments	\$817,394	\$84,821
Taxes	72,339	67,494
User fees and other	94,113	71,681
Total	<u>\$983,846</u>	<u>\$223,996</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable comprise the following as at December 31:

	<u>2006</u>	<u>2005</u>
General	\$339,339	\$61,022
Other governments	250,957	217,861
Developer deposit (note 3)	29,607	15,783
Salaries, wages and benefits	36,835	40,154
Total	<u>\$656,738</u>	<u>\$334,820</u>

In 2005, the District entered into a Memorandum of Understanding agreement with the City of Nanaimo to provide a one-time contribution of \$200,000 towards the cost of developing the New Nanaimo Centre. The amount payable to the City of Nanaimo remains outstanding and is recorded under other governments.

The developer deposit will be refunded when work required is completed.

6. DEFERRED GRANT AND CONTRIBUTION REVENUE

	<u>2006</u>	<u>2005</u>
Balance at Beginning of Period	\$50,966	\$0
New Contributions for Period	1,034,803	59,825
Interest Earned on Contribution	26,755	0
Recognized as Revenue in Period	(19,124)	(8,859)
Balance at end of Period	<u>\$1,093,400</u>	<u>\$50,966</u>

Balance is comprised of:

Treaty Negotiation Grant	\$6,000	\$6,000
Developer Contribution for Sewer Project	1,007,754	0
Community Works Fund	79,646	44,966
	<u>\$1,093,400</u>	<u>\$50,966</u>

7. RESTRICTED REVENUE

Upon incorporation, the Regional District of Nanaimo transferred funds to the District that must be used to acquire parkland. The funds arose in the past as District property-owners paid cash in lieu of dedicating parkland, as required by legislation for subdividing their property. As a municipality, the District is responsible for managing parks within its jurisdiction and accordingly received the related funds.

DISTRICT OF LANTZVILLE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006

8. PHYSICAL ASSETS

	<u>December 31,</u> <u>2005</u>	<u>Additions</u>	<u>Retirement/ Transfers</u>	<u>December 31,</u> <u>2006</u>
General fund				
Land	\$1,211,900			\$1,211,900
Buildings	1,147,170	876,261		2,023,431
Equipment	1,057,833	22,254		1,080,087
Roads	214,093			214,093
Total	3,630,996	898,515		4,529,511
Sewer fund				
	45,600	1,114,363		1,159,963
Water fund				
Land	333,913	8,544		342,457
Equipment	21,885	122,439		144,324
Engineering structures	3,597,702	1,607,489		5,205,191
Total	3,953,500	1,738,472		5,691,972
Total all funds	\$7,630,096	3,751,350		\$11,381,446

9. RESERVE FUND BALANCES

	<u>December 31,</u> <u>2005</u>	<u>Transfers from</u> <u>Operating fund</u>	<u>Interest</u>	<u>Transfers to</u> <u>Operating</u> <u>Fund</u>	<u>December 31,</u> <u>2006</u>
General fund					
Asset replacement	\$260,099	\$165,351	\$10,649	(\$8,023)	\$428,076
Fire truck	28,875		1,182		30,057
Park development	151,438	12,001	6,199		169,638
Capital works	857,290	47,690	31,510	(373,756)	562,734
Total	1,297,702	225,042	49,540	(381,779)	1,190,505
Sewer fund					
	4,011	4,436	164		8,611
Water fund					
Asset replacement	88,038		3,605		91,643
Waterworks	1,007,404		36,383	(880,600)	163,187
Total	1,095,442		39,988	(880,600)	254,830
Total all funds	\$2,397,155	\$229,478	\$89,692	(\$1,262,379)	\$1,453,946

DISTRICT OF LANTZVILLE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006

10. 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 during the year ended December 31, 2006 is as follows:

	<u>2006</u>	<u>2005</u>
Balance at beginning of period	\$7,630,096	\$6,692,292
Add:		
Capital expenditures	3,751,350	605,828
Transfer of land		259,000
Reduction in long term debt		88,263
Less:		
Disposal / retirement of assets		(15,287)
Total	<u>\$11,381,446</u>	<u>\$7,630,096</u>

11. PROVINCIAL TRANSFERS:

The following provincial government transfers have been included in revenues:

	<u>2006</u>	<u>2005</u>
Transfers for operating purposes	\$320,827	\$297,472
Transfers for capital purposes	1,454,703	249,784
Total	<u>\$1,775,530</u>	<u>\$547,256</u>

12. EXPENDITURES BY OBJECT:

As required by section 1700 of the Public Sector Accounting Board reporting requirements, these financial statements report on expenditures by functions. The District's expenditures by objects are as follows:

	<u>2006</u>	<u>Budget</u>	<u>2005</u>
Salaries, wages and benefits (note 2 (f))	\$545,653	\$533,150	\$533,990
Physical assets	3,751,350	7,526,300	605,828
Regional services	44,779	86,700	209,000
Garbage and recycling collection	125,702	134,200	127,027
Engineering and consultants	101,085	202,700	99,635
Telephone and utilities	94,774	103,400	90,675
Equipment, materials and supplies	46,388	53,900	84,265
Repairs and maintenance	84,157	133,000	53,547
Insurance	67,292	80,500	49,460
Travel, training and conferences	54,986	81,850	47,940
Emergency workers' honoraria	45,223	47,000	44,452
Other operating goods and services	110,832	256,600	209,720
Consolidated total	<u>\$5,072,221</u>	<u>\$9,239,300</u>	<u>\$2,155,539</u>

DISTRICT OF LANTZVILLE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2006

13. COMMITMENTS AND CONTINGENCIES

(a) Pension liability

The District and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 48,000 retired members. Active members include approximately 30,000 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, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The information disclosed in this note represents the most current information at the time of the audit. The actuary does not attribute portions of the unfunded liability to individual employers. The District of Lantzville paid \$22,824 for employer contributions to the plan in fiscal 2006 (\$23,373 – 2005).

(b) Commitments

In February 2007, The District of Lantzville awarded the contract for the Stage 2 Phase 1 of the Sewer Infrastructure Project in the amount of \$2,935,450 (includes GST). The District of Lantzville has also awarded Water Emergency Connection in the amount of \$78,016.

(c) The District 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 District, along with other participants, would be required to contribute towards the deficit.

DISTRICT OF LANTZVILLE
NET TAXES AVAILABLE FOR MUNICIPAL PURPOSES
FOR THE YEAR ENDED DECEMBER 31, 2006

The District is required to collect taxes on behalf of, and transfer these amount to, the government agencies note below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	For the year ended December 31, 2006	2006 Budget	For the year ended December 31, 2005
Taxes			
Property Tax	\$3,759,348	\$3,748,647	\$3,555,830
Utility taxes	52,030	52,700	44,627
Parcel taxes	353,427	347,750	344,019
	<u>4,164,805</u>	<u>4,149,097</u>	<u>3,944,476</u>
Remittance of taxes levied for other governments:			
School district	1,819,174	1,818,142	1,759,883
Regional hospital district	149,243	148,696	136,060
Regional district	415,035	414,389	349,099
BCAA and MFA	47,641	47,630	45,215
Vancouver Island Regional Library	123,830	123,090	115,245
	<u>2,554,923</u>	<u>2,551,947</u>	<u>2,405,502</u>
Net Taxes available for Municipal Purposes	<u>\$ 1,609,882</u>	<u>\$ 1,597,150</u>	<u>\$ 1,538,974</u>

See accompanying notes to consolidated financial statements.