



DISTRICT OF LANTZVILLE

Consolidated Financial Statements

Year ended December 31, 2011

District of Lantzville
Consolidated Financial Statements
December 31, 2011
Index

	<u>Page</u>
Management Report	
Independent Auditors' Report	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations and Accumulated Surplus.....	2
Consolidated Statement of Cash Flows.....	3
Consolidated Statement of Change in Net Financial Assets.....	4
Notes to Consolidated Financial Statements.....	5-14
Schedules:	
Schedule A - Consolidated Schedule of Tangible Capital Assets.....	15
Schedule B - Consolidated Schedule of Statutory Reserve Fund Activities.....	16
Schedule C - Consolidated Schedule of Segment Disclosures for the year ended December 31, 2011.....	17
Schedule D - Consolidated Schedule of Segment Disclosures for the year ended December 31, 2010.....	18

**District of Lantzville
Consolidated Financial Statements
December 31, 2011**

Management's Responsibility

To the Mayor and Council of the District of Lantzville:

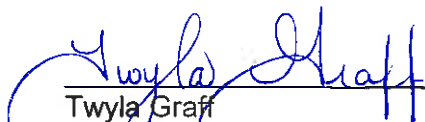
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting 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 fulfill 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.

MNP 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.

April 16, 2012



Twyla Graff
Chief Administrative Officer

Independent Auditors' Report

To the Mayor and Council
District of Lantzville

We have audited the accompanying consolidated financial statements of the District of Lantzville, which comprise the consolidated statement of financial position as at December 31, 2011 and the consolidated statements of operations and accumulated surplus, change in net financial assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the District of Lantzville as at December 31, 2011 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia
April 16, 2012

MNP LLP
Chartered Accountants

District of Lantzville

Consolidated Statement of Financial Position

As at December 31, 2011



	2011	2010
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 5,022,082	\$ 4,925,814
Accounts receivable (Note 3)	1,094,491	593,781
	<u>6,116,573</u>	<u>5,519,595</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 440,980	501,077
Deferred revenue (Note 5)	852,764	908,785
Deposits (Note 6)	15,629	16,329
	<u>1,309,373</u>	<u>1,426,191</u>
Net Financial Assets	<u>4,807,200</u>	<u>4,093,404</u>
Non-Financial Assets		
Tangible capital assets (Note 7 and Schedule A)	31,631,795	30,459,576
Prepaid expenses	6,017	2,256
	<u>31,637,812</u>	<u>30,461,832</u>
Accumulated Surplus (Note 8)	<u>36,445,012</u>	<u>\$ 34,555,236</u>

See accompanying notes and schedules to the consolidated financial statements.

On behalf of the Municipality:


Jack de Jong, Mayor


Jedha Holmes, CA, Deputy Director of Financial Services

District of Lantzville

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2011



	2011	2011 Fin. Plan	2010
	<i>(Unaudited-Note 14)</i>		
Revenue:			
Taxation (Note 9)	\$ 1,396,099	\$ 1,394,880	\$ 1,389,364
Government grants and transfers (Note 10)	1,686,172	1,889,068	1,243,035
Utility taxes and fees	1,188,694	1,041,069	1,161,965
Services and fees (own sources)	85,289	61,591	82,594
Grants in lieu of taxes	72,430	72,620	71,774
Interest	59,422	15,000	41,702
Development cost charges	-	-	36,000
Other	27,189	33,375	(9,696)
	\$ 4,515,295	\$ 4,507,603	\$ 4,016,738
Expenditures (Note 11):			
General government	\$ 678,774	\$ 697,820	\$ 667,669
Transportation services	657,199	379,570	594,443
Protective services	296,756	253,000	298,454
Sewer	251,563	106,490	315,553
Water	301,084	288,610	279,906
Solid waste collection	165,413	164,250	170,821
Parks and recreation	113,043	230,190	78,793
Legislative services	116,159	125,949	82,932
Planning and environmental development	45,528	56,270	44,135
	\$ 2,625,519	2,302,149	2,532,706
Surplus for the year	1,889,776	2,205,454	1,484,032
Accumulated surplus, beginning of year	34,555,236	34,555,236	33,071,204
Accumulated surplus, end of year	\$ 36,445,012	\$ 36,760,690	\$ 34,555,236

Commitments and contingencies are specified in Note 12.

See accompanying notes and schedules to the consolidated financial statements.

District of Lantzville

Consolidated Statement of Cash Flows

For the year ended December 31, 2011



	2011	2010
Net inflow (outflow) of cash related to the following activities:		
Operating		
Surplus for the year	1,889,776	\$ 1,484,032
Non-cash items included in operations:		
Amortization of tangible capital assets	675,836	582,690
Loss (gain) on the sale of tangible capital assets	10,052	14,383
Change in prepaid expenses	(3,761)	5,699
	682,127	602,772
Net change in non-cash working capital balances related to operations	(617,528)	1,027,513
Cash provided by operating transactions	1,954,375	3,114,317
Capital		
Purchase of tangible capital assets	(1,858,107)	(2,231,580)
Proceeds from sale of tangible capital assets	-	15,000
Cash used by capital transactions	(1,858,107)	(2,216,580)
Increase in cash and cash equivalents	96,268	897,737
Cash and cash equivalents, beginning of year	4,925,814	4,028,077
Cash and cash equivalents, end of year	5,022,082	\$ 4,925,814

See accompanying notes and schedules to the consolidated financial statements.

District of Lantzville

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2011



	2011	2011 Fin. Plan	2010
	<i>(Unaudited-Note 14)</i>		
Surplus for the year	\$ 1,889,776	2,205,454	\$ 1,484,032
Purchase of tangible capital assets	(1,858,107)	(2,597,627)	(2,231,580)
Amortization of tangible capital assets	675,836	-	582,690
Loss (Gain) on the sale of tangible capital assets	10,052	-	14,383
Proceeds on sale of tangible capital assets	-	-	15,000
	717,557	(392,173)	(135,475)
Acquisition of prepaid expense	(6,017)	-	(2,256)
Use of prepaid expenses	2,256	-	7,955
	(3,761)	-	5,699
Increase (decrease) in net financial assets	713,796	(392,173)	(129,776)
Net financial assets, beginning of year	4,093,404	4,093,404	4,223,180
Net financial assets, end of year	\$ 4,807,200	\$ 3,701,231	\$ 4,093,404

See accompanying notes and schedules to the consolidated financial statements.

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



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.

The District operates under the provisions of the *Local Government Act* and *Community Charter*.

The District's principal activities include the provision of local government services to residents of the incorporated area. These services include general government, fire protection, solid waste collection, parks and recreation, planning and development, and water and sewer services.

1. Significant Accounting Policies

(a) Basis of Presentation:

The District follows Canadian public sector accounting standards and applies such principles consistently. The consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

The financial resources and operations of the District have been consolidated for financial statement purposes and include the accounts of all the funds of the District, which include General, Water and Sewer Operating, Capital and Reserve Funds. Inter-fund transactions have been eliminated on consolidation.

(b) Revenue Recognition:

Revenues and expenditures are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenues. Expenditures are recognized in the period in which the goods or services are acquired and a legal liability is incurred or transfers are due.

Property tax revenues are recognized in the year that they are levied.

Parcel tax revenues are recognized in the year that they are levied. Parcel taxes paid in advance, which relate to phase 1 sewer operating costs, are deferred and amortized proportionately to revenue over the term for which the parcel tax is expected to be levied.

Operating grants are recognized when they are earned. Receipts that are restricted by legislation or by agreement with external parties are recorded as deferred revenues. When qualifying expenses are incurred, deferred revenues are recognized as revenue in equal amounts.

Water and sewer fees are recognized when the commodity or service has been received by the customer.

Interest and penalties are recognized when earned. Allocations of interest are made to statutory reserve funds and certain restricted non-statutory funds.

Capital grants and developer contributions are recognized when the related expenditure is incurred and when collection is reasonably assured.

Government transfers are recognized in the financial statements as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



(c) Financial instruments:

The District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and deposits. 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.

(d) Tangible Capital Assets:

Tangible capital assets, comprised of capital assets and capital assets under construction exceeding \$10,000, are recorded at cost less accumulated amortization and are classified according to their functional use. Contributed tangible capital assets are recorded at fair value at the date of the contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. One-half of the amortization is claimed in the first year of acquisition and in the year of disposal. Estimated useful lives are as follows:

Asset	Rate
Buildings	15 - 80 years
Equipment	5 - 10 years
Land Improvements	10 - 50 years
Roads Infrastructure	10 - 75 years
Vehicles	10 - 25 years
Sewer Infrastructure	10 - 100 years
Water Infrastructure	10 - 100 years

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset or enhance the service potential of capital assets are capitalized.

Government contributions for the acquisition of capital assets are recorded as revenue and do not reduce the cost of the related capital asset.

(e) Use of Estimates:

Preparation of financial statements in accordance with Canadian public sector accounting standards 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 expenses during the period. Significant areas requiring the use of management estimates relate to accruals for expected employee compensated absences and provisions for contingencies. Included in the accrual for expected employee compensated absences is an estimate for sick leave which is based on methodology requiring significant judgement that could result in material error. Amortization is based on estimates of the assets' useful lives. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



(f) Employee Future Benefits:

The District recognizes the expenses relating to employee benefits in the period in which the employees render the 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.

2. Cash and Cash Equivalents

December 31 cash balances include amounts designated for specific future capital expenditures, restricted revenues and various deposits, as follows:

	2011	2010
Restricted cash		
Statutory reserves (Note 8)	\$ 2,928,506	\$ 2,744,762
Restricted revenues - deferred revenue (Note 5)	852,764	908,785
Restricted revenues - deposits (Note 6)	15,629	16,329
	3,796,899	3,669,876
Unrestricted cash		
Cash available for operations	1,225,183	\$ 1,255,938
	\$ 5,022,082	\$ 4,925,814

Cash deposited at the Coastal Community Credit Union earns interest at the rate in the range of prime minus 1 to 2 %. Cash deposited at the Municipal Finance Authority (\$1,051,786 at December 31, 2011 (\$1,041,022 at December 31, 2010)) is invested in the MFABC Money Market Fund which earned an effective yield of 1.03% (2010 - .60%) and whose market value is equal to its cost.

3. Accounts Receivable

Accounts receivable comprise the following as at December 31:

	2011	2010
Other governments	\$ 645,845	\$ 266,062
Property and parcel taxes	310,163	218,535
User fees and other	138,483	109,184
	\$ 1,094,491	\$ 593,781

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



4. Accounts Payable

Accounts payable comprise the following as at December 31:

	2011	2010
General	\$ 269,684	\$ 241,382
Other governments	95,096	195,896
Salaries, wages and benefits	76,200	63,799
	\$ 440,980	\$ 501,077

5. Deferred Revenue

Deferred revenue comprise the following as at December 31:

	2010	Receipts	Interest	Revenue	2011
Community Works (Gas Tax) Funds	\$ 508,957	\$ 148,388	\$ 4,835	\$ (254,017)	408,163
Development Cost Charges	206,009	33,777	2,278		242,064
Administration and inspection fees	109,442				109,442
Phase 1 sewer op. costs prepaid by residents	35,556			(2,162)	33,394
Prepaid property taxes	35,250	45,435		(35,250)	45,435
Prepaid Utility Fees	1,564	2,389		(1,564)	2,389
Treaty Negotiation Grant	11,322				11,322
Prepaid tax certificate accounts	685	1,320		(1,450)	555
	\$ 908,785	\$ 231,309	\$ 7,113	\$ (294,443)	\$ 852,764

Community Works (Gas Tax) Funds

The Community Works funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of British Columbia Municipalities. These funds may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement. During 2011, \$254,017 (2010 - \$36,800 Knarston Creek Overflow Project) were used to fund the E & N Rail Corridor - Aulds/Ware Roads Major Trail.

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



Development Cost Charges

Development Cost Charges are restricted revenue liabilities representing fees collected from property development. The use of these funds is restricted by legislation (*Community Charter*) and can only be used for the purposes for which they were collected, being primarily to fund new infrastructure capital works. In accordance with Canadian public sector accounting standards, the District records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred.

	2010	Receipts	Interest	Revenue	2011
Water	\$ 72,056	15,574	826	-	\$ 88,456
Sewer	16,260	12,366	205	-	28,831
Drainage	21,953	2,362	233	-	24,548
Highway Facilities	58,223	1,935	617	-	60,775
Parkland	37,517	1,540	397	-	39,454
	\$ 206,009	\$ 33,777	\$ 2,278	\$ -	\$ 242,064

6. Deposits

Deposits comprise the following as at December 31:

	2011	2010
Performance deposits	\$ 13,629	\$ 13,329
Sewer Works – Phase 2 deposits	2,000	3,000
	\$ 15,629	\$ 16,329

Performance deposits are funds collected from various property developers and held as security to ensure the completion of specified agreed on works. These funds will be released once the related works are completed, or used by the District to complete the works for which they are held.

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



7. Tangible Capital Assets (Schedule A)

	2011	2010
Land	\$ 8,752,199	\$ 8,752,199
Land improvements	716,795	67,313
Buildings	1,195,750	1,242,331
Vehicles	648,612	603,463
Equipment	241,446	263,969
Infrastructure:		
Roads	7,807,697	7,807,348
Sewer	8,194,087	7,658,515
Water	4,075,209	4,052,166
Assets under construction	-	12,272
	\$ 31,631,795	\$ 30,459,576

Land is comprised of land under roads, parks and tennis courts, well fields, and land under and around District buildings. Land improvements include playground equipment, playing fields and courts, and parking lots.

8. Accumulated Surplus

Operating Funds - These funds comprise the principal operating activities of the District and include funds for general government, sewer and water services.

Capital Funds - These funds are used to record the acquisition and disposal of tangible capital assets and related financing. These funds include general, sewer and water capital funds.

Reserve Funds - These funds have been created to hold assets for specific future requirements. They are comprised of the statutory reserve funds shown in Note 2.

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

	2011	2010
Operating Fund	\$ 1,884,711	\$ 1,350,898
Statutory Reserve Funds (Schedule B)	2,928,506	2,744,762
Equity in Tangible Assets	31,631,795	30,459,576
	\$ 36,445,012	\$ 34,555,236

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



Operating Funds

	General	Water	Sewer	Total
Opening balance	\$ 1,426,981	\$ 765,111	\$ (841,194)	\$ 1,350,898
Surplus for the year	1,106,767	106,246	646,882	1,859,895
Transfers to Capital Funds	(619,303)	(19,269)	(533,649)	(1,172,221)
Transfer to Reserve Funds	(448,225)	(136,300)	(89,515)	(674,040)
Transfers from Reserve Funds	402,915	117,264	-	520,179
Closing balance	\$ 1,869,135	\$ 833,052	\$ (817,476)	\$ 1,884,711

Equity in Tangible Capital Assets:

	2011	2010
Opening balance	\$ 30,459,576	\$ 28,840,069
Add: Purchases of tangible capital assets	1,858,107	2,231,580
Less: Proceeds on disposal	-	(15,000)
Gain (loss) on disposal	(10,052)	(14,383)
Less: Amortization	(675,836)	(582,690)
	\$ 31,631,795	\$ 30,459,576

9. Taxation

The District is required to collect taxes on behalf of, and transfer these amounts to, other government agencies noted below.

	2011	2010
Property taxes collected	\$ 4,351,070	\$ 4,250,348
Less transfers to other governments:		
School District	1,889,839	1,835,270
School District - policing	183,703	167,170
Regional Hospital District	127,944	174,608
Regional District of Nanaimo	566,505	501,249
BC Assessment	51,009	50,345
Municipal Finance Authority	158	147
Vancouver Island Regional Library	135,813	132,195
	2,954,971	2,860,984
	\$ 1,396,099	\$ 1,389,364

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



10. Government Grants and Transfers

	2011	2010
Operating transfers from provincial government:		
Strategic Communities Investment Fund Grant	\$ 607,187	\$ 124,221
Other	4,850	17,896
	612,037	142,117
Capital transfers:		
Canada/B.C. Infrastructure Grant	420,118	664,118
BC Towns for Tomorrow Grant	400,000	400,000
Community Works (Federal Gas and Public Transit) Funds	254,017	36,800
	\$ 1,686,172	\$ 1,243,035

11. Expenditure by Object and Segment

The financial statements report on expenditures by function. The District's expenditures by object are reported in Schedule C - Consolidated Schedule of Segment Disclosures.

Costs included in the District's financial plan are determined for each segment based on Council's approval of management recommendations as a result of Council's overall vision and strategy for the District. Financial Plan revenues from fees and charges, external funding, or internal allocations from reserves and accumulated surplus are also determined in the same manner. Actual expenditures are coded at the time of purchase to the appropriate segment and some payroll expenditures are allocated based on a pre-determined allocation consistent with the annual financial plan.

The segments included in the schedule are as follows:

General Government includes all administrative aspects of the District including property tax collection, council, and general services to the residents of the District.

Transportation Services includes management of the roads, storm drainage, and vehicle fleet used to provide services to the District.

Protective Services includes the fire department, building inspection, bylaw enforcement, and emergency planning.

Solid Waste Collection includes fees related to residential curbside collection services.

Planning includes land use planning, subdivision, development, and mapping.

Parks and Recreation includes management of District parks and trails, and the District's contribution to Mine Town Days.

Sewer Services includes the management and maintenance of the sanitary sewer collection system.

Water Services includes the management and maintenance of the water distribution system including reservoirs, wells, and hydrants.

Capital Funds includes funding and expenditures related to the purchase of capital assets in the general government, sewer and water services functions.

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



Reserve Funds includes interest earned on balances in the general government, sewer and water services capital reserves.

12. Commitments and Contingencies

(a) Municipal Pension Contingency

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 Plan, including investment of the assets and administration of benefits. The 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 government.

The latest valuation as at December 31, 2009 indicated a unfunded liability of \$1.024 billion for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The District paid \$41,929 (2010 - \$37,751) for employer contributions to the Plan in fiscal 2011, while employees contributed \$43,031 (2010 - \$39,048) to the Plan in fiscal 2011.

(b) Municipal Insurance Contingency

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.

13. Comparative Figures

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

District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2011



14. Financial Plan Figures

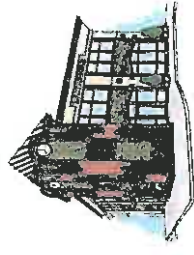
Financial Plan figures included in these financial statements are unaudited and represent the Financial Plan Bylaw adopted by Council. The Financial Plan includes internal transfers to and from Reserve and other surplus balances, and also capital expenditures rather than amortization expense. The following schedule reconciles the consolidated surplus as presented in the Financial Plan approved by Council to the consolidated surplus as shown in the Consolidated Statement of Operations.

	2011
Consolidated surplus, per "District of Lantzville Financial Plan Bylaw No. 88, 2011.	\$ 6,521
Add:	
Capital expenditures	2,597,627
Transfers to statutory reserves	610,525
Internal debt repayment	253,805
Less:	
Transfers from statutory reserves	(758,559)
Recovery from prior year surplus	(504,465)
<hr/> Consolidated surplus, per "2011 Financial Plan" for Consolidated Statement of Operations	<hr/> \$ 2,205,454

District of Lantzville

Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2011



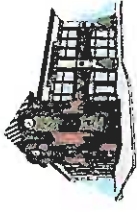
Infrastructure

	Land	Land Improvements	Buildings	Vehicles	Equipment	Roads	Sewer	Water	Under Construction	2011 Total	2010 Total
Historical Cost:											
Opening Balance	8,752,199	308,598	1,868,360	1,312,239	394,689	9,674,226	7,806,874	5,302,096	12,272	35,431,553	33,393,471
Additions	666,093			89,890	21,633	308,122	656,142	128,499	(12,272)	1,858,107	2,231,580
Disposals					(9,018)	(13,293)		(20,380)		(42,691)	(193,498)
Closing Balance, Dec.31	8,752,199	974,691	1,868,360	1,402,129	407,304	9,969,055	8,463,016	5,410,215	-	37,246,969	35,431,553
Accumulated Amortization:											
Opening Balance	-	241,285	626,029	708,776	130,720	1,866,878	148,359	1,249,930	-	4,971,977	4,553,402
Amortization Expense	16,611		46,581	44,741	44,156	302,291	120,570	100,886	-	675,836	582,690
Disposals					(9,018)	(7,811)		(15,810)		(32,639)	(164,115)
Closing Balance, Dec.31	-	257,896	672,610	753,517	165,858	2,161,358	268,929	1,335,006	-	5,615,174	4,971,977
Net book value	\$ 8,752,199	\$ 716,795	\$ 1,195,750	\$ 648,612	\$ 241,446	\$ 7,807,697	\$ 8,194,087	\$ 4,075,209	\$ -	\$ 31,631,795	\$ 30,459,576

District of Lantzville

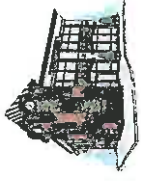
Consolidated Schedule of Statutory Reserve Fund Activities

For the year ended December 31, 2011



	Capital Works		Fire Truck		Park		Asset Replacement		Waterworks		Asset Replacement		2011 Total	2011 Financial Plan (Unaudited- Note 14)	2010
	Replacement	Replacement	Development	Acquisition	Replacement	Replacement	Replacement	Replacement	Replacement	Replacement	Replacement	Replacement			
	General Fund						Sewer Fund		Water Fund						
Opening balance	\$ 1,290,171	\$ 503,538	\$ 165,682	\$ 209,401	\$ 34,756	\$ 70,391	\$ 83,096	\$ 387,727	\$ 83,096	\$ 2,744,762	\$ 2,744,762	\$ 2,555,129			
Transfers in	279,800	66,825	71,800	29,800	-	26,000	8,300	128,000	8,300	610,525	610,525	653,348			
Loan repayment	63,515	-	-	-	-	-	-	-	-	63,515	58,199	59,683			
Interest earned	13,811	5,213	2,137	2,378	368	884	925	4,167	925	29,883	-	21,262			
Transfers out	(312,508)	(90,407)	-	-	-	-	-	(117,264)	-	(520,179)	(758,559)	(544,660)			
Closing balance	\$ 1,334,789	\$ 485,169	\$ 239,619	\$ 241,579	\$ 35,124	\$ 97,275	\$ 92,321	\$ 402,630	\$ 92,321	\$ 2,928,506	\$ 2,654,927	\$ 2,744,762			

District of Lantzville

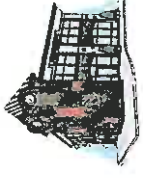


Consolidated Schedule of Segment Disclosures

For the year ended December 31, 2011

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks and Recreation	Sewer	Water	Reserve	2011 Consolidated	2011 Fin. Plan
REVENUE											
Taxation	1,396,099	-	-	-	-	-	-	-	-	1,396,099	1,394,880
Government grants and transfers	1,265,751	-	303	-	-	-	420,118	-	-	1,686,172	1,889,068
Utility taxes and fees	-	-	-	164,155	-	-	509,931	514,608	-	1,188,694	1,041,069
Services and fees	44,234	-	19,122	2,594	12,550	561	796	5,432	-	85,289	61,591
Grants in lieu of taxes	72,430	-	-	-	-	-	-	-	-	72,430	72,620
Interest	29,539	-	-	-	-	-	-	-	-	-	-
Development Cost Charges	-	-	-	-	-	-	-	-	29,883	59,422	15,000
Other	23,178	-	-	-	-	4,011	-	-	-	27,189	33,375
	2,831,231	-	19,425	166,749	12,550	4,572	-	520,040	29,883	4,515,295	4,507,603
EXPENSES											
Audit and Legal	45,086	-	-	-	-	-	-	-	-	50,086	58,000
Consulting	14,825	26,791	-	-	-	-	-	2,500	-	41,616	50,000
Contracted Services	24,106	-	58,218	165,413	45,528	3,555	-	-	-	296,820	308,290
Insurance	24,855	1,453	5,389	-	-	151	5,300	14,430	-	51,578	62,670
Legislative	18,933	-	-	-	-	-	-	-	-	18,933	29,000
Materials and Supplies	22,394	31,635	28,122	-	-	3,603	776	6,435	-	92,965	172,570
Salaries, Wages and Benefits	542,412	67,330	59,982	-	-	67,335	43,527	89,040	-	869,626	907,869
Training, Travel and Conferences	32,681	5,300	29,143	-	-	-	-	-	-	67,124	73,700
Telephone and Utilities	10,619	54,790	9,656	-	-	-	2,866	19,578	-	97,509	98,750
Other	22,681	151,365	27,941	-	-	22,899	74,099	64,441	-	363,426	540,300
	758,592	338,664	218,451	165,413	45,528	97,543	129,088	196,424	-	1,949,683	2,302,149
Amortization	36,341	318,535	78,305	-	-	15,500	122,495	104,660	-	675,836	-
	794,933	657,199	296,756	165,413	45,528	113,043	251,563	301,084	-	2,625,519	2,302,149
Surplus (Deficit)	2,036,298	(657,199)	(277,331)	1,336	(32,978)	(108,471)	679,282	218,956	29,883	1,889,776	2,205,454

District of Lantzville



Consolidated Schedule of Segment Disclosures

For the year ended December 31, 2010

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks and Recreation	Sewer	Water	Reserve	2010 Consolidated	2010 Fin. Plan
REVENUE											
Taxation	1,389,364	-	-	-	-	-	-	0	-	1,389,364	1,387,935
Government grants and transfers	576,797	-	1,280	-	-	840	664,118	-	-	1,243,035	1,428,400
Utility taxes and fees	-	-	-	172,941	-	-	476,091	512,933	-	1,161,965	1,020,625
Services and fees	36,739	-	19,116	2,154	17,700	-	564	6,321	-	82,594	61,985
Grants in lieu of taxes	71,774	-	-	-	-	-	-	-	-	71,774	71,574
Interest	20,440	-	-	-	-	-	-	-	21,262	41,702	30,000
Development Cost Charges	36,000	-	-	-	-	-	-	-	-	36,000	36,000
Other	(9,721)	-	25	-	-	-	-	-	-	(9,696)	15,000
	<u>2,121,393</u>	<u>-</u>	<u>20,421</u>	<u>175,095</u>	<u>17,700</u>	<u>840</u>	<u>1,140,773</u>	<u>519,254</u>	<u>21,262</u>	<u>4,016,738</u>	<u>4,051,519</u>
EXPENSES											
Audit and Legal	39,395	-	-	-	-	-	-	2,300	-	43,995	55,300
Consulting	16,215	-	-	-	-	-	-	-	-	16,215	72,500
Contracted Services	27,255	2,349	56,205	170,821	44,135	3,749	-	-	-	304,514	330,564
Insurance	26,367	1,417	5,429	-	-	165	2,000	16,165	-	51,543	64,800
Legislative	4,452	-	-	-	-	-	-	-	-	4,452	13,850
Materials and Supplies	23,774	29,047	26,586	-	-	1,963	742	21,155	-	103,266	171,650
Salaries, Wages and Benefits	506,967	90,606	56,288	-	-	45,215	39,538	81,402	-	820,016	849,679
Training, Travel and Conferences	25,707	6,700	24,562	-	-	-	-	-	-	56,970	76,525
Telephone and Utilities	14,306	54,996	10,548	-	-	-	-	19,097	-	101,160	104,600
Other	28,977	111,573	37,336	-	-	21,261	210,648	38,090	-	447,885	645,655
	<u>713,415</u>	<u>296,687</u>	<u>216,955</u>	<u>170,821</u>	<u>44,135</u>	<u>72,353</u>	<u>257,441</u>	<u>178,209</u>	<u>-</u>	<u>1,950,016</u>	<u>2,385,123</u>
Amortization	37,186	297,756	81,499	-	-	6,440	58,112	101,697	-	582,690	-
	<u>750,601</u>	<u>594,443</u>	<u>298,454</u>	<u>170,821</u>	<u>44,135</u>	<u>78,793</u>	<u>315,553</u>	<u>279,906</u>	<u>-</u>	<u>2,532,706</u>	<u>2,385,123</u>
Surplus (Deficit)	<u>1,370,792</u>	<u>(594,443)</u>	<u>(278,033)</u>	<u>4,275</u>	<u>(26,435)</u>	<u>(77,953)</u>	<u>825,220</u>	<u>239,348</u>	<u>21,262</u>	<u>1,484,032</u>	<u>1,666,396</u>