

# **DISTRICT OF LANTZVILLE**

## **2007 Audited Financial Statements**

# **DISTRICT OF LANTZVILLE**

## **FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

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**DISTRICT OF LANTZVILLE  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31<sup>ST</sup>, 2007**

**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 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.

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.

April 10, 2008

  
Twyla Graff  
Chief Administrative Officer

## 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, 2007 and the consolidated statements of financial activities and cash flows and the related schedules for the year then ended. These financial statements are the responsibility of the management of the District. 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, 2007 and the results of its financial activities and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information, including the schedules A to D presented on pages 14-17, are presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*Meyers Harris Penny LLP*

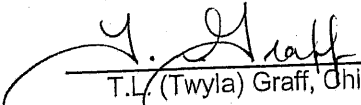
Nanaimo, B.C.  
April 10, 2008

CHARTERED ACCOUNTANTS

**DISTRICT OF LANTZVILLE  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2007**

	<u>2007</u>	<u>2006</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (note 3 )	\$ 3,347,667	\$ 3,283,138
Accounts receivable (note 4)	1,283,112	983,846
	<u>4,630,779</u>	<u>4,266,984</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 5)	1,117,440	625,636
Deferred revenue (note 6)	195,383	1,094,895
Deposits (note 7)	35,844	29,607
	<u>1,348,667</u>	<u>1,750,138</u>
	3,282,112	2,516,846
<b>NET FINANCIAL ASSETS</b>		
<b>NON-FINANCIAL ASSETS</b>	14,565,777	11,381,446
Capital assets (note 8)		
	<u>\$ 17,847,889</u>	<u>\$ 13,898,292</u>
Commitments and Contingencies (Note 14)		
<b>FUND BALANCES (note 2(a))</b>	\$ 1,574,379	\$ 1,030,868
Operating (note 9, schedule A)	-	-
Capital (schedule B)	1,707,733	1,485,978
Reserve (note 10, schedule C)	<u>3,282,112</u>	<u>2,516,846</u>
	14,565,777	11,381,446
<b>EQUITY IN CAPITAL ASSETS (note 11)</b>	<u>\$ 17,847,889</u>	<u>\$ 13,898,292</u>

**APPROVED:**

  
T.L. (Twyla) Graff, Chief Administrative Officer

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	2007 Actual	2007 Budget	2006 Actual
<b>REVENUE</b>			
Net property taxes available for municipal purposes (schedule D)	\$ 1,263,549	\$ 1,265,346	\$ 1,204,425
Grants in lieu of taxes	61,251	52,100	52,030
Utility taxes and fees	783,347	652,126	645,403
Revenue from own sources	97,256	89,050	110,050
Interest	110,277	75,000	133,536
Government grants and transfers (note 12)	2,027,042	6,836,711	1,775,530
Developer contributions	1,045,988	1,045,000	-
Other	7,326	-	2,770
	<u>5,396,036</u>	<u>10,015,333</u>	<u>3,923,744</u>
<b>EXPENDITURES</b>			
General government services	582,525	678,327	1,410,598
Legislative	72,808	92,400	69,519
Protective services	222,651	261,985	233,067
Garbage and recycling	131,559	138,100	125,702
Parks & recreation	90,891	116,207	15,404
Planning	62,188	79,800	68,445
Public works	254,899	868,718	243,987
Water	197,816	411,750	1,788,872
Sewer	3,015,433	9,610,217	1,116,627
Other regional services	-	41,000	-
	<u>4,630,770</u>	<u>12,298,504</u>	<u>5,072,221</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	765,266	(2,283,171)	(1,148,477)
Debt proceeds	-	2,200,000	-
Debt principal repayment	-	(110,000)	-
	<u>765,266</u>	<u>(193,171)</u>	<u>(1,148,477)</u>
<b>CONSOLIDATED FUND BALANCES, BEGINNING OF YEAR</b>	2,516,846	2,516,846	3,665,323
<b>CONSOLIDATED FUND BALANCES, END OF YEAR</b>	<u>\$ 3,282,112</u>	<u>\$ 2,323,675</u>	<u>\$ 2,516,846</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	2007 <u>Actual</u>	2006 <u>Actual</u>
CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN):		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ 765,266	\$ (1,148,477)
Changes in non-cash financial assets		
Increase in accounts receivable	(299,266)	(759,851)
Decrease in investment in lantzville woodlot corporation	-	1
Changes in financial liabilities		
Increase in accounts payable and accrued liabilities	491,804	321,918
(Decrease) increase in deferred revenue	(899,512)	1,042,434
Increase in deposits	6,237	-
	<u>(700,737)</u>	<u>604,502</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	64,529	(543,975)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	3,283,138	3,827,113
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 3,347,667</u>	<u>\$ 3,283,138</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**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 (the District) 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.

The District operates under 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 include general government, fire protection, garbage and recycling, parks and recreation, planning and development, and water and sewer services.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The District of Lantzville, 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. Significant aspects of the accounting policies adopted by the District are as follows:

**(a) Fund accounting**

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 a fund for general, sewer and water utilities purposes. The change in the operating fund balances are shown in note 9.

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 2006 and 2007 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 10.

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.

**(b) Revenue recognition**

Tax revenues are recognized in the year that they are levied. Operating grants are recognized when they are earned. Receipts that are restricted by legislation or by agreement with external parties are deferred and reported as deferred revenues. When qualifying expenditures are incurred, deferred revenues are recognized as revenue at equal amounts. 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. Interest and penalties are recognized when earned. Government transfers are recognized in the financial statements as revenue in the period in which the events



**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**(b) Revenue recognition (cont'd)**

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.

**(c) Capital assets**

Capital assets with a purchase or construction value exceeding \$10,000 are reported as capital expenditures and are classified according to their functional use. Capital 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 using reserve funds for major asset replacements and improvements.

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

**(d) Financial instruments**

The District's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the District is not exposed to significant interest, credit or currency risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

**(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.

**(g) Recent Accounting Pronouncements**

**Financial Statement Presentation**

In February 2007, the Canadian Institute of Chartered Accountants issued amendments to the recommendations in Section PS 1200 Financial Statement Presentation. PS 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. The amendments to this Section consisted of expanding its scope to include local governments and introducing a new financial statement reporting model based on full accrual accounting principles. Revised PS 1200 is effective for interim and annual financial statements of local governments with fiscal years beginning on or after January 1, 2009.

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**3. CASH AND CASH EQUIVALENTS**

December 31 cash balances include amounts designated for specific future capital purposes, deferred revenue and various deposits, as follows:

	<u>2007</u>	<u>2006</u>
Cash available for operations	\$1,587,874	\$1,767,553
Development cost charges (note 6)	16,216	0
Deposits (note 7)	35,844	29,607
Cash designated for future capital purposes (note 10)	1,707,733	1,485,978
<b>Total</b>	<b><u>\$3,347,667</u></b>	<b><u>\$3,283,138</u></b>

Cash deposited at the Coastal Community Credit Union earns interest at the rate of prime minus 2%. Cash deposited at the Municipal Finance Authority (\$987,462 as at December 31, 2007 and \$945,067 as at December 31, 2006) is invested in the MFABC Money Market Fund, whose market value is equal to its cost.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable comprise the following as at December 31:

	<u>2007</u>	<u>2006</u>
Other governments	\$1,150,567	\$817,394
Property and parcel taxes	70,070	72,339
User fees and other	62,475	94,113
<b>Total</b>	<b><u>\$1,283,112</u></b>	<b><u>\$983,846</u></b>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable comprise the following as at December 31:

	<u>2007</u>	<u>2006</u>
General	\$618,972	\$337,845
Other governments	455,551	250,957
Salaries, wages and benefits	42,917	36,834
<b>Total</b>	<b><u>\$1,117,440</u></b>	<b><u>\$625,636</u></b>

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.

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**6. DEFERRED REVENUE**

Deferred revenue comprises the following as at December 31:

	<u>2007</u>	<u>2006</u>
Treaty Negotiation Grant	\$11,322	\$6,000
Tourism Grant	10,353	0
Developer Contribution for Sewer Works – Phase I	0	1,007,754
Prepaid Tax Certificate Accounts	3,268	1,495
Development Cost Charges	16,216	0
Federal Gas and Public Transit Funds	154,224	79,646
<b>Total</b>	<u><u>\$195,383</u></u>	<u><u>\$1,094,895</u></u>

Continuity schedule:

	<u>2007</u>	<u>2006</u>
Balance at beginning of year	\$1,094,895	\$52,461
New contributions received in the year	113,063	1,034,803
Interest earned on contributions	43,413	26,755
Recognized as revenue during the year	(1,055,988)	(19,124)
<b>Balance at end of year</b>	<u><u>\$195,383</u></u>	<u><u>\$1,094,895</u></u>

The Federal Gas and Public Transit Funds 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 agreements.

Development Cost Charges are property development related fees. The use of these funds are 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.

**7. DEPOSITS**

Deposits comprise the following as at December 31:

	<u>2007</u>	<u>2006</u>
Performance Deposits	\$19,844	\$29,607
Sewer Works – Phase I Deposits	16,000	0
<b>Total</b>	<u><u>\$35,844</u></u>	<u><u>\$29,607</u></u>

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.

Sewer Works – Phase I deposits are funds collected from various residents in the phase I sewer area. These funds are refundable to residents whose sewer connection is made by June 30, 2008 or June 30, 2009 if a pump is required for the connection. All deposits not refunded will be taken into revenue by the District in either 2008 or 2009 accordingly.

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**8. CAPITAL ASSETS**

	<u>Dec/31/2006</u>	<u>Plus:</u> <u>Additions</u>	<u>Less:</u> <u>Disposals</u>	<u>Dec/31/2007</u>
<b>General fund</b>				
Land	\$1,213,235			\$1,213,235
Buildings	2,023,429			2,023,429
Equipment and vehicles	1,078,754	45,839		1,124,593
Roads	214,093			214,093
Total	4,529,511			4,575,350
<b>Sewer fund</b>	1,159,963	3,003,368		4,163,331
<b>Water fund</b>				
Land	342,456			342,456
Equipment	144,324	24,771		169,095
Engineering structures	5,205,192	110,353		5,315,545
Total	5,691,972			5,827,096
<b>Total</b>	<b>\$11,381,446</b>	<b>3,184,331</b>		<b>\$14,565,777</b>

Beginning for fiscal 2009, section 3150, Tangible Capital Assets, of the Public Sector Accounting Board reporting requirements will require the capitalization and depreciation, on a historical cost basis, of all District owned and contributed assets. During the current fiscal year, the District has begun to work towards compliance with the new recommendations for accounting for tangible capital assets. The District has obtained an insurance appraisal report which has provided a complete listing and values of the buildings and equipment owned by the District of Lantzville. The District has also identified the cumulative District purchased or built capital asset values as shown in the above table.

**9. OPERATING FUND BALANCES**

The Operating Funds comprise the principal operating activities of the District and include the general, sewer and water funds. These funds can be used for any legal purpose authorized by Council. The change in the fund balances during the year ended December 31, 2007 are as follows:

	<u>Dec/31</u> <u>2006</u>	<u>Plus: Fund</u> <u>Revenues</u> <u>over</u> <u>Expenditures</u>	<u>Less:</u> <u>Transfers</u> <u>to Capital</u> <u>Funds</u>	<u>Less:</u> <u>Transfers</u> <u>to Reserve</u> <u>Fund</u>	<u>Total</u> <u>Change in</u> <u>Fund</u> <u>Balance</u>	<u>Dec/31</u> <u>2007</u>
General fund	\$462,279	\$783,403	\$728	\$414,278	\$368,398	\$830,676
Water fund	562,180	259,852	38,430	158,550	62,872	625,052
Sewer fund	6,409	146,345	23,976	10,127	112,242	118,651
<b>Total</b>	<b>\$1,030,868</b>	<b>\$1,189,600</b>	<b>\$63,134</b>	<b>\$582,955</b>	<b>\$543,512</b>	<b>\$1,574,379</b>

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**10. RESERVE FUND BALANCES**

Reserve Funds are statutory reserves that have been internally restricted by Council. Reserve establishing bylaws have been adopted pursuant to the *Community Charter*, which define how these reserves are to be used. The change in the fund balances during the year ended December 31, 2007 are as follows:

	<u>Dec/31/2006</u>	<u>Plus:</u> <u>Transfers from</u> <u>Operating</u> <u>Funds</u>	<u>Plus:</u> <u>Interest</u>	<u>Less:</u> <u>Transfers to</u> <u>Capital</u> <u>Funds</u>	<u>Dec/31/2007</u>
<b>General fund</b>					
Asset replacement	\$428,076	\$141,000	\$18,089	\$45,111	\$542,054
Fire truck	30,057	58,200	2,248	0	90,505
Park acquisition	32,032	0	1,217	0	33,249
Park development	169,638	54,100	7,474	0	231,212
Capital works	562,734	160,978	19,333	268,903	474,142
Total	1,222,537	414,278	48,361	314,014	1,371,162
<b>Sewer fund</b>	8,611	10,127	327	10,128	8,937
<b>Water fund</b>					
Asset replacement	91,643	16,250	3,320	24,771	86,442
Waterworks	163,187	142,300	7,567	71,862	241,192
Total	254,830	158,550	10,887	96,633	327,634
<b>Total</b>	<b>\$1,485,978</b>	<b>582,955</b>	<b>59,575</b>	<b>420,775</b>	<b>\$1,707,733</b>

**11. EQUITY IN CAPITAL ASSETS**

Equity in capital assets represents the total capital assets less long-term debt assumed to acquire those assets. The change in equity in capital assets during the year ended December 31, 2007 is as follows:

	<u>2007</u>	<u>2006</u>
Balance at beginning of period	\$11,381,446	\$7,630,096
Plus: Capital expenditures	3,184,331	3,751,350
<b>Total</b>	<b>\$14,565,777</b>	<b>\$11,381,446</b>

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**12. GOVERNMENT GRANTS AND TRANSFERS**

The following government transfers have been included in revenues:

	<u>2007</u>	<u>2006</u>
Operating transfers from provincial government	348,670	296,885
Small Communities Grant	23,938	23,942
Other	<u>372,608</u>	<u>320,827</u>
	-	714,096
Water capital transfers	1,654,434	740,607
Sewer capital transfers	<u>1,654,434</u>	<u>1,454,703</u>
<b>Total</b>	<b><u>\$2,027,042</u></b>	<b><u>\$1,775,530</u></b>

**13. EXPENDITURES BY OBJECT**

The financial statements report on expenditures by functions. The District's expenditures by objects are as follows:

	<u>2007</u>	<u>Budget</u>	<u>2006</u>
Salaries, wages, benefits (note 2 (f))	\$592,798	\$652,450	\$545,650
Capital assets	3,184,331	10,527,717	3,751,352
Audit and legal	66,422	63,600	43,778
Fire services honoraria'	44,147	49,500	45,222
General insurance	36,423	40,000	31,789
Other operating goods and services	729,472	965,237	654,430
<b>Consolidated total</b>	<b><u>\$4,630,770</u></b>	<b><u>\$12,298,504</u></b>	<b><u>\$5,072,221</u></b>

**14. COMMITMENTS AND CONTINGENCIES**

**(a) Municipal Pension Contingency**

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusteed 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 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 District of Lantzville paid \$26,712 for employer contributions to the plan in fiscal 2007 (2006 - \$22,824).

**(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.

**DISTRICT OF LANTZVILLE**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**15. COMPARATIVE FIGURES**

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

**DISTRICT OF LANTZVILLE**  
**CONSOLIDATED STATEMENT OF OPERATING FUND FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	2007 Actual	2007 Budget	2006 Actual
<b>REVENUE</b>			
General property taxes (schedule D)	\$ 1,263,549	\$ 1,265,346	\$ 1,204,425
Grants in lieu of taxes	61,251	52,100	52,030
Utility taxes and fees	783,347	652,126	645,403
Revenue from own sources	97,256	89,050	110,050
Interest	50,702	75,000	42,584
Government grants and transfers (note 12)	372,608	401,000	320,827
Other	7,326	-	2,770
	<u>2,636,039</u>	<u>2,534,622</u>	<u>2,378,089</u>
<b>EXPENDITURES</b>			
General government services	582,525	678,327	565,945
Legislative	72,808	92,400	69,519
Protective services	177,540	212,285	179,204
Garbage and recycling	131,559	138,100	125,702
Parks & recreation	90,891	116,207	15,404
Planning	62,188	79,800	68,445
Public works	254,171	312,218	243,987
Water	62,692	86,750	50,397
Sewer	12,065	13,700	2,266
Other regional services	-	41,000	-
	<u>1,446,439</u>	<u>1,770,787</u>	<u>1,320,869</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	1,189,600	763,835	1,057,220
<b>NET INTER-FUND TRANSFERS:</b>			
Transfers to capital funds	(63,134)	(100,000)	(1,034,270)
Transfers to reserve funds	(582,955)	(709,335)	(229,478)
<b>INCREASE (DECREASE) IN OPERATING FUND BALANCES</b>	543,511	(45,500)	(206,528)
<b>CONSOLIDATED OPERATING FUND BALANCES, BEGINNING OF YEAR</b>	1,030,868	1,030,868	1,237,396
<b>CONSOLIDATED OPERATING FUND BALANCES, END OF YEAR</b>	<u>\$ 1,574,379</u>	<u>\$ 985,368</u>	<u>\$ 1,030,868</u>

See accompanying notes to consolidated financial statements.



**DISTRICT OF LANTZVILLE**  
**CONSOLIDATED STATEMENT OF CAPITAL FUND FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	2007 Actual	2007 Budget	2006 Actual
<b>REVENUES</b>			
Government grants and transfers (note 12)	\$ 1,654,434	\$ 6,435,711	\$ 1,454,703
Developer contributions	1,045,988	1,045,000	-
	<u>2,700,422</u>	<u>7,480,711</u>	<u>1,454,703</u>
 <b>EXPENDITURES</b>			844,653
General government services			
Legislative	45,111	49,700	53,863
Protective services			
Environmental health			
Parks & recreation	728	556,500	
Public Works			
Street lighting	3,003,368	9,596,517	1,114,361
Sewer	135,124	325,000	1,738,475
Water			
	<u>3,184,331</u>	<u>10,527,717</u>	<u>3,751,352</u>
 <b>EXCESS OF EXPENDITURES OVER REVENUES</b>	(483,909)	(3,047,006)	(2,296,649)
 Debt proceeds		2,200,000	
Debt principal repayment		(110,000)	
Transfers from operating funds	63,134	100,000	1,034,270
Transfers from reserve funds	420,775	857,006	1,262,379
	<u></u>	<u></u>	<u></u>
 <b>CHANGE IN CONSOLIDATED CAPITAL FUND BALANCES</b>			
<b>CONSOLIDATED CAPITAL FUND BALANCES, BEGINNING OF YEAR</b>			
<b>CONSOLIDATED CAPITAL FUND BALANCES, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE  
CONSOLIDATED STATEMENT OF RESERVE FUND FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	2007 Actual	2007 Budget	2006 Actual
<b>REVENUES</b>			
Interest	\$ 59,575	\$ -	\$ 90,952
	-	-	-
<b>EXPENDITURES</b>			
	59,575	-	90,952
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
Transfers from operating funds	582,955	709,335	229,478
Transfers to capital funds	(420,775)	(857,006)	(1,262,379)
<b>INCREASE (DECREASE) IN CONSOLIDATED RESERVE FUND BALANCES</b>	221,755	(147,671)	(941,949)
<b>CONSOLIDATED RESERVE FUND BALANCES, BEGINNING OF YEAR</b>	1,485,978	1,485,978	2,427,927
<b>CONSOLIDATED RESERVE FUND BALANCES, END OF YEAR (note 10)</b>	<u>\$ 1,707,733</u>	<u>\$ 1,338,307</u>	<u>\$ 1,485,978</u>

See accompanying notes to consolidated financial statements.

**DISTRICT OF LANTZVILLE**  
**NET PROPERTY TAXES AVAILABLE FOR MUNICIPAL PURPOSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

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.

	2007 <u>Actual</u>	2007 <u>Budget</u>	2006 <u>Actual</u>
Total property taxes	\$3,925,133		\$3,759,348
Less property taxes collected on behalf of other governments			
School District	1,795,698		1,819,174
School District - policing	140,981		-
Regional Hospital District	147,487		149,243
Regional District of Nanaimo	402,646		415,035
BCA and MFA	47,271		47,641
Vancouver Island Regional Library	127,501		123,830
	<u>2,661,584</u>	<u>-</u>	<u>2,554,923</u>
Net property taxes available for municipal purposes	<u>\$ 1,263,549</u>	<u>\$ 1,265,346</u>	<u>\$ 1,204,425</u>

See accompanying notes to consolidated financial statements.