



DISTRICT OF LANTZVILLE

Financial Statements

Year ended December 31, 2012

District of Lantzville
Financial Statements
December 31, 2012
Index

	<u>Page</u>
Management's Responsibility for the Financial Statements	
Independent Auditors' Report	
Statement of Financial Position.....	1
Statement of Operations	2
Statement of Change in Net Financial Assets.....	3
Statement of Cash Flows.....	4
Notes to the Financial Statements.....	5-16
Schedules:	
Schedule A - Schedule of Tangible Capital Assets.....	17
Schedule B - Schedule of Statutory Reserve Fund Activities.....	18
Schedule C - Schedule of Segment Disclosures for the year ended December 31, 2012.....	19
Schedule D - Schedule of Segment Disclosures for the year ended December 31, 2011.....	20



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the District of Lantzville

We have audited the accompanying financial statements of the District of Lantzville which comprise the statement of financial position as at December 31, 2012, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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



Page 2

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the District of Lantzville as at December 31, 2012, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The financial statements of the District of Lantzville as at and for the period ended December 31, 2011 were audited by another auditor who expressed an unmodified opinion on those financial statements on April 16, 2012.

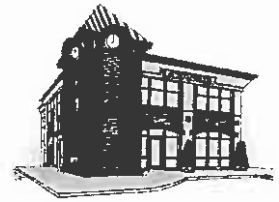
KPMG LLP

Chartered Accountants

April 22, 2013

Victoria, Canada

District of Lantzville



STATEMENT OF FINANCIAL POSITION


As at December 31, 2012 with comparative information for 2011

	2012	2011
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 6,528,887	\$ 5,022,082
Accounts receivable (Note 3)	364,614	1,094,491
	<u>6,893,501</u>	<u>6,116,573</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 331,900	\$ 440,980
Deferred revenue (Note 5)	1,056,425	852,764
Deposits (Note 6)	15,229	15,629
	<u>1,403,554</u>	<u>1,309,373</u>
Net Financial Assets	<u>\$ 5,489,947</u>	<u>\$ 4,807,200</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7 and Schedule A)	\$ 31,737,150	\$ 31,631,795
Prepaid expenses	10,020	6,017
	<u>31,747,170</u>	<u>31,637,812</u>
ACCUMULATED SURPLUS (Note 8)	<u>\$ 37,237,117</u>	<u>\$ 36,445,012</u>

Contingencies are specified in Note 12

The accompanying notes are an integral part of these financial statements.

On behalf of the Municipality:

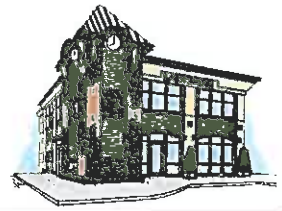


Jack de Jong, Mayor



Jedha Holmes, CA, Director of Financial Services

District of Lantzville



STATEMENT OF OPERATIONS

For the year ended December 31, 2012 with comparative information for 2011

	2012 Fin. Plan	2012	2011
REVENUE			
Taxation (Note 9)	\$ 1,425,123	\$ 1,426,927	\$ 1,396,099
Government grants and transfers (Note 10)	647,994	651,780	1,686,172
Utility taxes and fees	994,723	1,032,971	1,188,694
Services and fees (own sources)	63,390	85,826	85,289
Grants in lieu of taxes	72,950	75,523	72,430
Interest	20,000	66,462	59,422
Development cost charges	19,620	-	-
Other	-	60,033	27,189
	\$ 3,243,800	\$ 3,399,522	\$ 4,515,295
EXPENSES (Note 11)			
General government	\$ 723,850	\$ 703,297	\$ 678,774
Transportation services	375,450	637,400	657,199
Protective services	278,810	320,138	296,756
Sewer	119,450	213,938	251,563
Water	243,340	274,142	301,084
Solid waste collection	177,500	177,393	165,413
Parks and recreation	291,740	129,922	113,043
Legislative services	117,260	111,576	116,159
Planning and environmental development	40,300	39,611	45,528
	\$ 2,367,700	\$ 2,607,417	\$ 2,625,519
SURPLUS FOR THE YEAR	\$ 876,100	\$ 792,105	\$ 1,889,776
Accumulated surplus, beginning of year	36,445,012	36,445,012	34,555,236
ACCUMULATED SURPLUS, END OF YEAR	\$ 37,321,112	\$ 37,237,117	\$ 36,445,012

The accompanying notes are an integral part of these financial statements.

District of Lantzville



STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2012 with comparative information for 2011

	2012 Fin. Plan	2012	2011
SURPLUS FOR THE YEAR	\$ 876,100	\$ 792,105	\$ 1,889,776
Purchase of tangible capital assets	(784,918)	(820,668)	(1,858,107)
Amortization of tangible capital assets		692,551	675,836
Loss on the sale of tangible capital assets		20,524	10,052
Proceeds on sale of tangible capital assets		2,238	-
	91,182	686,750	717,557
Acquisition of prepaid expense		(10,020)	(6,017)
Use of prepaid expenses		6,017	2,256
	-	(4,003)	(3,761)
Increase in net financial assets	91,182	682,747	713,796
Net financial assets, beginning of year	4,807,200	4,807,200	4,093,404
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,898,382	\$ 5,489,947	\$ 4,807,200

The accompanying notes are an integral part of these financial statements.

District of Lantzville



STATEMENT OF CASH FLOWS

For the year ended December 31, 2012 with comparative information for 2011

	2012	2011
Net inflow (outflow) of cash related to the following activities:		
OPERATING		
Surplus for the year	\$ 792,105	\$ 1,889,776
Items not involving cash:		
Amortization of tangible capital assets	692,551	675,836
Loss on the sale of tangible capital assets	20,524	10,052
	<u>713,075</u>	<u>685,888</u>
Change in non-cash operating assets and liabilities:		
Accounts receivable	729,877	(500,710)
Accounts payable and accrued liabilities	(109,080)	(60,097)
Deferred revenue	203,661	(56,021)
Deposits	(400)	(700)
Prepaid expenses	(4,003)	(3,761)
	<u>Cash provided by operating transactions</u>	<u>\$ 1,954,375</u>
CAPITAL		
Purchase of tangible capital assets	\$ (820,668)	\$ (1,858,107)
Proceeds from sale of tangible capital assets	2,238	-
	<u>Cash used by capital transactions</u>	<u>\$ (1,858,107)</u>
Increase in cash and cash equivalents	\$ 1,506,805	\$ 96,268
Cash and cash equivalents, beginning of year	5,022,082	4,925,814
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 6,528,887	\$ 5,022,082

The accompanying notes are an integral part of these financial statements.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 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 of British Columbia*.

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

The financial statements of the District of Lantzville (the "District") are prepared by management in accordance with public sector accounting standards for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the District are as follows:

(a) Reporting Entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues, and expenses of all of the District's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

Consolidated entities: The District does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(b) Basis of Accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

1. Significant Accounting Policies (continued)

(c) Revenue Recognition:

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

Water and sewer fees are recognized when the commodity or services have been received by the customer.

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and included in deferred revenue.

(d) Deferred Revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation, and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred, development cost charges are recognized as revenue in amounts which equal the associated expenses.

(e) Cash and Cash Equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

1. Significant Accounting Policies (continued)

(f) Employee Future Benefits:

The District and its employees make contributions to the Municipal Pension Plan. The District's contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the District's employees. The costs of these benefits are estimated based on the actual service and expected retirement ages and future salary and wage increases for employees. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(g) Non-Financial Assets - Tangible Capital Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset commencing in the year the asset is put into service. 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.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

1. Significant Accounting Policies (continued)

(g) Non-Financial Assets - Tangible Capital Assets (continued):

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

Amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(h) Use of Estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at a point in time, the reported amounts of revenues and expenses during the reporting period, and the disclosure of contingent assets and liabilities at the date of the financial statements. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets, estimating provisions for accrued liabilities, and in estimating provisions of employee future benefits. Actual results could differ from these estimates.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

2. Cash and Cash Equivalents

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

	2012	2011
RESTRICTED CASH		
Statutory reserves (Note 8)	\$ 3,039,085	\$ 2,928,506
Restricted revenues - deferred revenue (Note 5)	1,056,425	852,764
Restricted revenues - deposits (Note 6)	15,229	15,629
	4,110,739	3,796,899
UNRESTRICTED CASH		
Cash available for operations	2,418,148	1,225,183
	\$ 6,528,887	\$ 5,022,082

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 totaling \$1,062,934 at December 31, 2012 (\$1,051,786 at December 31, 2011) is invested in the MFABC Money Market Fund which earned an effective yield of 1.05% (2011 - 1.03%) and whose market value is equal to its cost.

3. Accounts Receivable

Accounts receivable comprise the following as at December 31:

	2012	2011
Other governments	\$ 51,342	\$ 645,845
Property and parcel taxes	202,446	310,163
User fees and other	110,826	138,483
	\$ 364,614	\$ 1,094,491

4. Accounts Payable

Accounts payable comprise the following as at December 31:

	2012	2011
General	\$ 163,299	\$ 270,334
Other governments	86,616	95,096
Employee benefit obligations	81,985	77,550
	\$ 331,900	\$ 440,980

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

4. Accounts Payable (continued)

(a) Employee Benefit Obligations:

Included in Accounts Payable are employee benefit obligations comprised of the following as at December 31:

	2012	2011
Accrued vacation	\$ 6,606	\$ 8,828
Accrued sick leave	75,379	68,722
	\$ 81,985	\$ 77,550

Employee benefit obligations represent accrued benefits as at December 31, 2012. Accrued vacation is the amount of vacation entitlement carried forward into the next year. Employee benefit obligations also include accumulated sick leave banks that may be drawn down in future years. These sick leave entitlements may only be used while employed by the District and are paid out on retirement under certain conditions. Included in expenses is \$6,657 (2011 - \$8,979) related to sick leave usage in the year.

The significant assumptions used in estimating sick leave benefit obligations are as follows:

	2012	2011
Discount rate	3%	3%
Rate of salary increase	2.5%	2.5%

(b) 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 176,000 active members and approximately 67,000 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 actuarial valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available later in 2013. The actuary does not attribute portions of the unfunded liability to individual employers.

The District paid \$46,636 (2011 - \$41,929) for employer contributions, while employees contributed \$46,392 (2011 - \$43,031) to the Plan in fiscal 2012.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

5. Deferred Revenue

Deferred revenue is comprised of the following as at December 31:

	2011	Receipts	Interest	Revenue	2012
Community Works					
(Gas Tax) Funds	\$ 408,163	\$ 148,387	\$ 4,416	-	\$ 560,966
Development Cost					
Charges	242,064	55,177	2,469	-	299,710
Administration and					
inspection fees	109,442	-	-	-	109,442
Phase 1 sewer op. costs	33,394	-	-	(2,162)	31,232
Prepaid property taxes	45,435	40,574	-	(45,435)	40,574
Prepaid Utility Fees	2,389	2,214	-	(2,389)	2,214
Treaty Negotiation					
Grant	11,322	-	-	-	11,322
Prepaid tax					
certificates	555	1,420	-	(1,010)	965
	\$ 852,764	\$ 247,772	\$ 6,885	(50,996)	\$ 1,056,425

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.

Development Cost Charges

Development cost charges are comprised of the following at December 31:

	2011	Receipts	Interest	Revenue	2012
Water	\$ 88,456	\$ 7,787	\$ 845	-	\$ 97,088
Sewer	28,831	12,365	321	-	41,517
Drainage	24,548	14,170	290	-	39,008
Highway Facilities	60,775	11,612	610	-	72,997
Parkland	39,454	9,243	403	-	49,100
	\$ 242,064	\$ 55,177	\$ 2,469	-	\$ 299,710

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

6. Deposits

Deposits comprise the following as at December 31:

	2012	2011
Performance deposits	\$ 15,229	\$ 13,629
Sewer Works – Phase 2 deposits	-	2,000
	\$ 15,229	\$ 15,629

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.

7. Tangible Capital Assets (Schedule A)

	2012	2011
Land	\$ 8,799,199	\$ 8,752,199
Land improvements	690,669	716,795
Buildings	1,202,913	1,195,750
Vehicles	600,307	648,612
Equipment	265,657	241,446
Infrastructure:		
Roads	8,071,483	7,807,697
Sewer	8,118,432	8,194,087
Water	3,983,370	4,075,209
Assets under construction	5,120	-
	\$ 31,737,150	\$ 31,631,795

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.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

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.

	2012	2011
Operating Fund	\$ 2,460,882	\$ 1,884,711
Statutory Reserve Funds (Schedule B)	3,039,085	2,928,506
Equity in Tangible Assets	31,737,150	31,631,795
	\$ 37,237,117	\$ 36,445,012

Operating Funds

	General	Water	Sewer	Total
Opening balance	\$ 1,869,135	\$ 833,052	\$ (817,476)	\$ 1,884,711
Surplus (deficit) for the year	634,784	165,700	(34,418)	766,066
Transfers (to) from to Capital Funds	(278,546)	95,613	77,578	(105,355)
Transfer to Reserve Funds	(474,263)	(236,300)	(82,715)	(793,278)
Transfers from Reserve Funds	708,738	-	-	708,738
Closing balance	\$ 2,459,848	\$ 858,065	\$ (857,031)	\$ 2,460,882

Equity in Tangible Capital Assets:

	2012	2011
Opening balance	\$ 31,631,795	\$ 30,459,576
Add: Purchases of tangible capital assets	820,668	1,858,107
Less: Proceeds on disposal	(2,238)	-
Less: Loss on disposal	(20,524)	(10,052)
Less: Amortization	(692,551)	(675,836)
	\$ 31,737,150	\$ 31,631,795

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

9. Taxation

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

	2012	2011
Property taxes collected	\$ 4,445,714	\$ 4,351,070
Less transfers to other governments:		
School District	1,896,150	1,889,839
School District - policing	181,324	183,703
Regional Hospital District	169,597	127,944
Regional District of Nanaimo	576,112	566,505
BC Assessment	48,850	51,009
Municipal Finance Authority	157	158
Vancouver Island Regional Library	146,597	135,813
	3,018,787	2,954,971
Municipal property taxes	\$ 1,426,927	\$ 1,396,099

10. Government Grants and Transfers

	2012	2011
Operating transfers from provincial government:		
Strategic Communities Investment Fund Grant	\$ 623,994	\$ 607,187
Other	4,784	4,850
	628,778	612,037
Capital transfers:		
Canada/BC Infrastructure Grant	23,002	420,118
BC Towns for Tomorrow Grant	-	400,000
Community Works (Federal Gas and Public Transit) Funds	-	254,017
	\$ 651,780	\$ 1,686,172

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

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 - 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.

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

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2012 with comparative information for 2011

12. Contingencies

Municipal Insurance Association

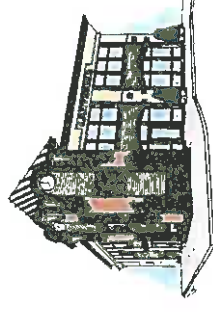
The District is insured through membership in the Municipal Insurance Association ("MIA") of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the MIA pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit.

13. Financial Plan Figures

Financial Plan figures included in these financial statements 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 surplus as presented in the Financial Plan approved by Council to the surplus as shown in the Statement of Operations.

	2012
Surplus, per "District of Lantzville Financial Plan Bylaw No. 96, 2012", adopted by Council on April 16, 2012.	\$ 308,240
Net impact of amendments	(32,500)
Surplus, per "District of Lantzville Financial Plan Bylaw No. 96, 2012, Amendment Bylaw No 96.1, 2012", adopted by Council on November 26, 2012.	\$ 275,740
Add:	
Capital expenditures	784,918
Transfers to statutory reserves	734,325
Internal debt repayment	166,135
Less:	
Transfers from statutory reserves	(754,918)
Recovery from prior year surplus	(330,100)
Surplus, per "2012 Financial Plan" for Statement of Operations	\$ 876,100

District of Lantzville

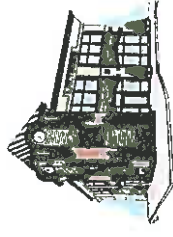


SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2012

	Infrastructure									
	Land	Land Improvements	Land	Buildings	Vehicles	Equipment	Roads	Sewer	Water	Assets Under Construction
HISTORICAL COST:										
Opening Balance	\$ 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
Additions	47,000	-	52,743	-	72,070	601,683	31,518	10,534	5,120	820,668
Disposals	-	-	-	(52,011)	-	(52,503)	-	(8,954)	-	(113,468)
Closing Balance, Dec.31	8,799,199	974,691	1,921,103	1,350,118	479,374	10,518,235	8,494,534	5,411,795	5,120	37,954,169
ACCUMULATED AMORTIZATION:										
Opening Balance	-	257,896	672,610	753,517	165,858	2,161,358	268,929	1,335,006	-	5,615,174
Amortization Expense	-	26,126	45,580	47,305	47,859	316,135	107,173	102,373	-	692,551
Disposals	-	-	-	(51,011)	-	(30,741)	-	(8,954)	-	(90,706)
Closing Balance, Dec.31	-	284,022	718,190	749,811	213,717	2,446,752	376,102	1,428,425	-	6,217,019
NET BOOK VALUE	\$ 8,799,199	\$ 690,669	\$ 1,202,913	\$ 600,307	\$ 265,657	\$ 8,071,483	\$ 8,118,432	\$ 3,983,370	\$ 5,120	\$ 31,737,150
										\$ 31,631,795

District of Lantzville

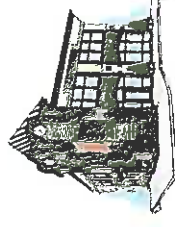


SCHEDULE OF STATUTORY RESERVE FUND ACTIVITIES

For the year ended December 31, 2012

	Capital Works		Asset Replacement		Fire Truck		Park Development		Park Aquisition		Asset Replacement		Waterworks		Asset Replacement		2012 Total		2012 Financial Plan		2011	
											SEWER FUND		WATER FUND									
Opening balance	\$	1,334,789	\$	485,169	\$	239,619	\$	241,579	\$	35,124	\$	97,275	\$	402,630	\$	92,321	\$	2,928,506	\$	2,928,506	\$	2,744,762
Transfers in		303,600		69,063		71,800		29,800		-		26,000		228,000		8,300		736,563		734,325		610,525
Loan repayment		56,715		-		-		-		-		-		-		-		56,715		56,715		63,515
Interest earned		9,737		4,487		2,522		2,348		322		1,010		4,730		883		26,039		-		29,883
Transfers out		(649,536)		(59,202)		-		-		-		-		-		-		(708,738)		(754,918)		(520,179)
Closing balance	\$	1,055,305	\$	499,517	\$	313,941	\$	273,727	\$	35,446	\$	124,285	\$	635,360	\$	101,504	\$	3,039,085	\$	2,964,628	\$	2,928,506

District of Lantzville

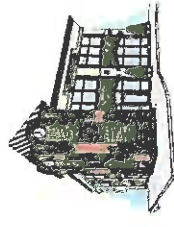


SCHEDULE OF SEGMENT DISCLOSURES

For the year ended December 31, 2012

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks & Recreation	Sewer	Water	Reserve	2012 Consolidated	2012 Fin. Plan
REVENUE											
Taxation	\$ 1,426,927	-	-	-	-	-	-	-	-	\$ 1,426,927	\$ 1,425,123
Government grants and transfers	628,778	-	-	-	-	-	23,002	-	-	651,780	647,994
Utility taxes and fees	-	-	-	177,363	-	-	308,600	547,008	-	1,032,971	994,723
Services and fees	42,040	-	19,116	2,432	14,500	1,266	1,398	5,074	-	85,826	63,390
Grants in lieu of taxes	75,523	-	-	-	-	-	-	-	-	75,523	72,950
Interest	40,423	-	-	-	-	-	-	-	26,039	66,462	20,000
Other	56,503	-	-	-	-	3,530	-	-	-	60,033	19,620
	2,270,194	-	19,116	179,795	14,500	4,796	333,000	552,082	26,039	3,399,522	3,243,800
EXPENSES											
Audit and Legal	70,131	-	-	-	-	-	2,518	2,518	-	75,167	78,280
Consulting	18,335	19,068	-	-	-	-	-	-	-	37,403	43,500
Contracted Services	23,691	-	63,235	177,393	39,611	3,630	-	-	-	307,560	312,100
Insurance	22,791	2,170	5,644	-	-	440	5,380	15,450	-	51,875	62,120
Legislative	18,608	-	-	-	-	-	-	-	-	18,608	19,000
Materials and Supplies	19,602	21,525	33,166	-	-	4,600	746	6,295	-	85,934	169,010
Salaries, Wages and Benefits	540,257	73,963	58,006	-	-	66,882	52,504	92,706	-	894,318	935,200
Training, Travel and Conferences	27,877	5,698	33,253	-	-	-	-	-	-	66,828	82,320
Telephone and Utilities	12,099	59,591	10,135	-	-	-	2,556	19,948	-	104,329	106,290
Other	22,409	118,610	30,257	-	-	29,354	41,136	31,078	-	272,844	559,880
	775,800	300,625	243,696	177,393	39,611	104,906	104,840	167,995	-	1,914,866	2,367,700
Amortization											
	39,073	336,775	76,442	-	-	25,016	109,098	106,147	-	692,551	-
	814,873	637,400	320,138	177,393	39,611	129,922	213,938	274,142	-	2,607,417	2,367,700
SURPLUS/(DEFICIT)	\$ 1,455,321	\$ (637,400)	\$ (301,022)	\$ 2,402	\$ (25,111)	\$ (125,126)	\$ 119,062	\$ 277,940	\$ 26,039	\$ 792,105	\$ 876,100

District of Lantzville



SCHEDULE OF SEGMENT DISCLOSURES

For the year ended December 31, 2011

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks & 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	-	-	-	-	-	-	-	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	930,845	520,040	29,883	4,515,295	4,507,603
EXPENSES											
Audit and Legal	45,086	-	-	-	-	-	2,500	2,500	-	50,086	58,000
Consulting	14,825	26,791	-	-	-	-	-	-	-	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	99,750
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	129,068	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 2012 BUDGET

For the year ended December 31, 2012

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks and Recreation	Sewer	Water	Reserve	2012 Fin. Plan
REVENUE										
Taxation	1,425,123	-	-	-	-	-	-	-	-	1,425,123
Government grants and transfers	627,994	-	-	-	-	-	20,000	-	-	647,994
Utility taxes and fees	-	-	-	176,980	-	-	276,903	540,840	-	994,723
Services and fees	25,470	-	19,400	2,000	12,400	-	-	4,120	-	63,390
Grants in lieu of taxes	72,950	-	-	-	-	-	-	-	-	72,950
Interest	20,000	-	-	-	-	-	-	-	-	20,000
Development Cost Charges	-	-	-	-	-	-	-	-	-	-
Other	19,520	-	100	-	-	-	-	-	-	19,620
	2,191,057	-	19,500	178,980	12,400	-	296,903	544,960	-	3,243,800
EXPENSES										
Audit and Legal	73,200	-	-	-	-	-	2,540	2,540	-	78,280
Consulting	23,500	20,000	-	-	-	-	-	-	-	43,500
Contracted Services	24,720	-	65,820	177,500	40,300	3,760	-	-	-	312,100
Insurance	33,000	1,760	6,090	-	-	440	5,380	15,450	-	62,120
Legislative	19,000	-	-	-	-	-	-	-	-	19,000
Materials and Supplies	26,140	43,360	49,930	-	-	4,430	2,030	43,120	-	169,010
Salaries, Wages and Benefits	560,780	80,350	67,390	-	-	74,280	53,970	98,430	-	935,200
Training, Travel and Conferences	40,000	8,000	34,320	-	-	-	-	-	-	82,320
Telephone and Utilities	11,880	59,840	10,440	-	-	-	3,100	21,150	-	106,410
Other	28,890	162,140	68,580	-	-	208,830	52,430	62,650	-	583,520
	841,110	375,450	302,570	177,500	40,300	291,740	119,450	243,340	-	2,391,460
Amortization										
	841,110	375,450	302,570	177,500	40,300	291,740	119,450	243,340	-	2,391,460
Surplus (Deficit)	1,349,947	(375,450)	(283,070)	1,480	(27,900)	(291,740)	177,453	301,620	-	852,340