



TOWN OF LADYSMITH CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

(Audited)

STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Ladysmith and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council of the Town met with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Hayes Stewart Little & Company as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.

Ruth Malli, CGA

Chief Administrative Officer



AUDITORS' REPORT

To the Mayor and members of Council of the THE TOWN OF LADYSMITH

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Town of Ladysmith, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statements of operations, change in net financial assets, and cash flows 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 generally accepted accounting principles, 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.

Auditor's 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. These 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 of 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 auditor's 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 evaluation of 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, these consolidated financial statements present fairly, in all material respects, the financial position of The Town of Ladysmith as at December 31, 2010 and its financial performance and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to XI, has been presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole.

Duncan, B.C. June 6, 2011

Chartered Accountants

DUNCAN 823 Canada Ave. Duncan, BC V9L 1V2 Tel: 250.746.4406 | Fax: 250.746.1950 NANAIMO 1-256 Wallace St. Nanaimo, BC V9R 5B3 Tel: 250.754.8239 | Fax: 250.754.1903

VICTORIA 1000-747 Fort St. Victoria, BC V8W 3E9 Tel: 250.383.8994 | Fax: 250.383.8904

Hayes thwart Little ! lo.

INDEX TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2010

Auditors' R	<u>eport</u>	4
Consolidat	ed Financial Statements	
Consolid	lated Statement of Financial Position	5
Consolid	lated Statement of Operations	6
	lated Statement of Cash Flows	7
Consolid	lated Statement of Changes in Net Financial Assets	8
Notes to	the Consolidated Financial Statements	9-26
<u>Schedul</u>	<u>es</u>	
ı	Long term debt	27
i II	Tax revenues	28
III .	Schedule of fees and charges	29
IV	Continuity schedule of reserves and appropriated equity	30
V	Federal Gas Tax – schedule of receipts and disbursements	31
VI	Statement of reserve fund activities	32
VII	Schedule of Restricted Reserves, Reserves and Equity by fund	33
VIII	Statement of Operations by Segment – 2010	34
IX	Statement of Operations by Segment – 2009	35
Χ	Consolidated Statement of Tangible Capital Assets – 2010	36
ΧI	Consolidated Statement of Tangible Capital Assets - 2009	37

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2010

	2010	2009 Restated
Financial Assets		(Note17)
Cash and short term deposits (Note 3)	\$10,129,101	\$14,004,841
Accounts receivable (Note 4)	4,753,896	2,979,723
	14,882,997	16,984,564
Liabilities		-
Accounts payable (Note 5)	2,317,293	1,528,065
Post-employment benefits (Note 6)	172,300	158,100
Deferred revenue	1,386,463	2,652,405
Restricted reserves (Note 7 & 9)	2,242,345	2,904,789
Refundable deposits and other	348,902	369,100
Long term debt (Note 10 and Schedule I)	3,211,321	3,479,426
	9,678,624	11,091,885
Net Financial Assets	5,204,373	5,892,679
Non-Financial Assets		
Tangible Capital Assets (Schedule X and XI)	72,978,203	63,457,543
Prepaids	46,514	20,039
Inventory	109,409	105,250
	73,134,126	63,582,832
Accumulated Surplus (Note 15)	\$78,338,499	\$69,475,511

Commitments and Contingencies (Note 11)

Director of Financial Services

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2010

	Actual 2010	(Unaudited) Budget 2010	Actual 2009 Restated
Revenue			(Note17)
Taxes (Schedule II)	\$ 6,707,305	\$ 6,689,555	\$ 6,304,396
Fees and charges			
General (Schedule III)	1,819,477	1,723,168	1,724,017
Sewer (Schedule III)	616,503	592,300	602,516
Water (Schedule III)	674,268	662,350	616,866
Return on investments	87,108	80,000	83,979
Penalty and interest on tax	118,086	105,000	114,964
Grants	4,672,877	12,019,726	2,339,398
Donations, contributions and contributed property	1,998,330	2,219,874	539,668
Gain on disposal of tangible capital assets	1,779,134	1,988,083	214,766
Development fees	1,183,074	2,768,830	1,263,683
Other income	-	-	2,000
Local area improvements	8,922_	8,922	8,922
	19,665,084	28,857,808	13,815,175
Expenditures General government services Library Protective services Transportation services Environmental health services Public health Development services Recreation and cultural services Parks operation services Sewer Water Reallocation of internal equipment usage Amortization Interest, net of actuarial adjustment (Note 10)	1,850,609 251,924 1,321,508 1,367,531 401,031 38,517 454,364 1,926,821 552,921 402,487 456,158 (388,777) 1,996,242 170,760	1,829,969 251,922 1,524,104 1,097,780 433,755 37,250 550,367 1,908,331 548,120 422,585 434,065	1,747,435 240,916 1,290,333 1,332,201 393,656 43,089 779,555 2,014,966 524,183 353,067 411,216 (384,762) 2,055,605 192,873
	10,802,096	9,268,646	10,994,333
Annual Surplus	8,862,988	19,589,162	2,820,842
Accumulated Surplus, beginning of year as previously stated	69,197,193	66,462,086	66,462,086
Prior period adjustment (Note 17)	278,318	· ,	192,583
Accumulated Surplus - beginning of year	69,475,511	66,462,086	66,654,669
Accumulated Surplus - end of year	\$78,338,499	\$86,051,248	\$69,475,511

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Operations		Restated (Note 17)
Net operating revenue	\$8,862,988	\$2,820,842
Less non-cash items:	,	, , = = , = . _
Amortization	1,996,242	2,055,605
Gain on disposal of tangible capital assets	(1,779,134)	(214,766)
Contribution to parkland	(75,400)	-
Changes in non-cash items:		
Accounts receivable	(1,774,173)	1,421,200
Accounts payable, accrued liabilities and post-employment		
benefits	803,428	(605,456)
Inventory and Prepaid expenses	(30,634)	(10,001)
Deferred revenues	(1,265,941)	2,299,821
Restricted reserves	(662,444)	(629,388)
Refundable deposits and other	(20,198)	(324,325)
Net increase in cash from operations	6,054,734	6,813,532
Capital Transactions		
Proceeds on sale of tangible capital assets	1,990,034	219,425
Cash used to acquire tangible capital assets	(11,652,404)	(4,007,874)
	(0.662.270)	(2.700.440)
Financing	(9,662,370)	(3,788,449)
Repayment of long-term debt	(268,104)	(263,093)
Net Decrease in cash from financing	(268,104)	(263,093)
Decrease in Cash and Short Term Deposits	(3,875,740)	2,761,990
Cash and Short Term Deposits - Beginning of Year	14,004,841	11,242,851
Cash and Short Term Deposits - End of Year	\$10,129,101	\$14,004,841

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009 Restated (Note 17)
Annual Surplus	\$8,862,988	\$2,820,842
Acquisition of tangible capital assets	(11,727,804)	(4,007,874)
Amortization of tangible capital assets	1,996,242	2,055,605
Disposals of tangible capital assets	210,901	4,658
Increase in inventories	(4,159)	(9,832)
Increase in prepaids	(26,475)	(167)_
Change in Net Financial Assets	(688,307)	863,232
Net Financial Assets - beginning of year	5,892,680	5,029,448
Net Financial Assets - end of year	\$5,204,373	\$5,892,680

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

1. General

The Town of Ladysmith was incorporated under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services in the Town, as governed by the Community Charter and the Local Government Act.

The notes to the consolidated financial statements are an integral part of these financial statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis of these statements. They also provide relevant supplementary information and explanations which cannot be expressed in the consolidated financial statements.

2. Significant Accounting Policies

(a) Basis of Presentation

It is the Town's policy to follow Canadian public sector accounting standards for local governments and to apply such principles consistently. The financial resources and operations of the Town have been consolidated for financial statement purposes and include the accounts of all of the funds of the Town.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in fund balances and financial position of the Town. These consolidated financial statements consolidate the following operations:

General Revenue Fund Water Revenue Fund Sewer Revenue Fund Reserve Fund General Capital Fund Water Capital Fund Sewer Capital Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

2. Significant Accounting Policies (continued)

(b) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Inter-fund and inter-company balances and transactions have been eliminated. The controlled organizations include DL 2016 Holdings Corporation, a wholly owned subsidiary of the Town.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize interest charges as part of the cost of its tangible capital assets.

Tangible capital assets are amortized over their estimated useful life, with a full-year's provision in the year of acquisition, on the straight-line method at the following annual rates:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	20 to 75 years
Buildings	40 years
Equipment, Furniture and Vehicles	5 to 60 years

Engineering Structures

Roads and Sidewalks	20 to 75 years
Storm and Sewer	25 to 75 years
Water	20 to 80 years

Construction in progress contains capital projects underway but not yet complete or put into use. Once put into use, the asset will be amortized based on the above annual rates for the applicable category of work performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

2. Significant Accounting Policies (continued)

Certain assets have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts that are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands and other natural resources are not recognized as tangible capital assets.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition.

(e) Investments

Short-term investments are accounted for at the lower of cost and market.

(f) Restricted Reserves and Deferred Revenues

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted reserves. When qualifying expenditures are incurred, restricted reserves are brought into revenue at equal amounts. These revenues are comprised of the amounts shown in note 7.

Revenues received in advance of expenditures which will be incurred in a later period are deferred until they are earned by being matched against those expenses.

(g) Subdivision Infrastructure

Subdivision streets, lighting, sidewalks, drainage, and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the Town. The Town is not involved in the construction and does not budget for or recognize either the contribution from the developer or the capital expenditure in its annual bylaw. In compliance with PSAB 3150, the contribution and asset purchase will be recorded and the assets will be amortized once they are put into use.

(h) Local Improvements

The Town records capital expenditures for capital assets funded by local improvement agreements as they are incurred. Revenues are recognized over the term of the local improvement agreements as they are collected.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

2. Significant Accounting Policies (continued)

(i) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, deferred charges, accrued liability, post employment benefits, provisions for contingencies and amortization rates, useful lives and salvage values for determining capital asset values. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

(j) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Rental payments under operating leases are expensed as incurred.

(k) Revenue Recognition

Revenues are recognized as they are earned and measurable.

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

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

(I) Non-Financial 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 operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(m) Inventory

Inventory is valued at the lower of cost and net realizable value, determined on an average cost basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

3. Cash and Short Term Deposits

Cash and short term deposits were comprised as follows:

Cash Short term deposits	2010 \$ 8,798,940 1,330,161	2009 \$ 12,682,691 1,322,150
•	\$ 10,129,101	\$ 14,004,841

Short term deposits consist of short term investments in the Municipal Finance Authority of B.C. money market fund. The market value is equal to the carrying value.

Included in cash and short term deposits are the following restricted amounts that can only be expended in accordance with the terms of the restricted reserves.

Restricted Reserves Less: DCC's Receivable	2010 \$ 2,242,345 (7,014)	2009 \$ 2,904,789 (89,074)
Total Restricted Cash	\$ 2,235,331	\$ 2,815,715

4. Accounts Receivable

	<u>2010</u>	<u>2009</u>
Property taxes	\$ 1,163,594	\$ 1,085,828
Other government	2,299,548	1,305,031
User fees and other	1,245,299	458,414
Development cost charges	7,014	89,074
Developer receivables	29,071	29,071
Employee receivables	9,370	12,305
	\$ 4,753,896	\$ 2,979,723

Development cost charges (DCC's) are collected on the approval of subdivision or the issuance of a building permit. These funds assist the Town in constructing capital improvements directly or indirectly related to development. Development cost charges represent funds due from developers within two years and are secured by irrevocable standby letters of credit. No interest is charged on these outstanding installments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

5. Accounts Payable and Accrued Liabilities

	<u>2010</u>	<u> 2009</u>
General	\$ 1,737,131	\$ 1,207,565
Other Governments	31,315	1,945
Salaries and wages	124,920	85,886
Contractor holdbacks	390,550	199,292
Accrued Interest	33,377	33,377
	\$ 2,317,293	\$ 1,528,065

6. Post-Employment Benefits

The Town provides compensated absences to its employees to a maximum of 120 days. The Town also allows employees to defer unused vacation without any maximum. Any deferred vacation time remaining at retirement or termination is paid out at that time. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method pro-rated on services. The last actuarial valuation was calculated at December 31, 2008 and has been extrapolated to December 31, 2010. The total expenditure recorded in the financial statements in respect of obligations under the plan amounts to \$14,200. (2009 - \$4,200).

The accrued post-employment benefits are as follows:

Balance, Beginning of Year \$158,100 \$15	3,900
Current service costs 25,400	5,400
Benefits paid (19,500)	1,500)
Actuarial loss 8,300	3,300
Balance, End of Year \$ 172,300 \$ 15	8,100

The significant actuarial assumptions adopted in measuring the Town's post-employment benefits are as follows:

Significant Actuarial Assumptions:	<u>2010</u>	<u>2009</u>
Discount Rate	4.50%	5.00%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

7. Restricted Reserves

	Balance Dec. 31, 2009	Interest Earned	Contributions	Expenditures	Balance Dec. 31, 2010
DCC - Water	\$ 477,173	\$ 6,199	\$ 68,722	_	\$ 552,094
DCC - Parks	1,197,223	15,125	82,119	(1,100,000)	194,467
DCC - Roads	482,457	6,387	88,241	(33,000)	544.085
DCC - Sewer	22,220	3,227	12,841	(00,000)	38,288
DCC - Storm	285,408	3,588	10.431	_	299,427
Parking	35,793	664	24,000	_	60,457
Gas Tax	332,967	5,638	252,738	(50,074)	541,269
Green Streets	1,341	17	_	(55,01.1)	1,358
Amphitheatre	9,675	125	1,100	_	10.900
Trolley	60,532	1,250	72,743	(134,525)	-
TOTAL	\$ 2,904,789	\$ 42,220	\$ 612,935	\$ (1,317,599)	\$ 2,242,345

8. Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

9. Federal Gas Tax Funds

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Town and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. The attached Schedule V – Schedule of Receipts and Disbursements of Federal Gas Tax outlines the receipts and disbursements for these funds. The funds are recorded on our financial statements as a restricted reserve as outlined in Note 7.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

10. Long Term Debt

a) The long term debt issued and outstanding as at December 31, 2010 was \$3,211,321 (\$3,479,426 as at December 31, 2009). The following principal amounts are payable over the next five years.

	2011	2012	2013	2014	2015 and beyond
Sewer - Principal	\$4,657	\$4,657	\$4,657	\$4,657	\$20,287
General – Principal	166,258	148,240	145,891	146,054	2,565,963
•	\$170,915	\$152,897	\$150,548	\$150,711	\$2,586,250

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is determined as follows:

		Actuarial		
	Interest	Adjustment	2010 Net	2009 Net
Sewer - Interest	\$2,945	\$2,150	\$795	\$2,165
General - Interest	221,556	51,591	169,965	190,708
	\$224,501	\$53,741	\$170,760	\$192,873

- b) Capital Leases The town has entered into capital leases for the following purchases.
- 1) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on September 28, 2010, for the purchase of a fire truck. Under the terms of the agreement the Town has prepaid \$97,000. The remaining obligation will be repaid with monthly lease payments in the amount of \$773 including interest at 1.75% per annum. The balance of the capital lease at December 31, 2010, which is included in long-term debt, is \$81,119. Lease to expire September 2015.
- 2) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced May 2006 for the purchase of Fitness Equipment. The remaining obligation will be repaid with monthly lease payments in the amount of \$625 including interest at 4.50% per annum. The balance of the capital lease at December 31, 2010, which is included in long-term debt, is \$2,394. Lease to expire April 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

10. Long Term Debt (Continued) - Capital Leases

- 3) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on May 2006 for the purchase of Fitness Equipment. The remaining obligation will be repaid with monthly lease payments in the amount of \$957 including interest at 4.50% per annum. The balance of the capital lease at December 31, 2010, which is included in long-term debt, is \$3,726. Lease to expire April 2011.
- 4) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on June 2006 for the purchase of a Photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$270 including interest at 4.50% per annum. The balance of the capital lease at December 31, 2010, which is included in long-term debt, is \$1,235. Lease to expire May 2011.
- 5) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on June 2007 for the purchase of a Fire Command Response Unit crew cab truck. The remaining obligation will be repaid with monthly lease payments in the amount of \$1,175 including interest at 5.0% per annum. The balance of the capital lease at December 31, 2010, which is included in long-term debt, is \$15,797. Lease to expire May 2012.

11. Commitments and Contingencies

- (a) Contingent Liabilities
- i) The Town, as a member of the Cowichan Valley Regional District, is jointly and severally liable for operational deficits or long term debt related to functions in which it participates.
- ii) The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which in turn is established by a similar Debt Reserve Fund in the Town and all other borrowing participants. If the Debt Reserve Fund is deficient the Authority's obligations become a liability of the regional district and may become a liability of the participating municipalities.
- iii) Various claims have been made against the Town as at December 31, 2010 for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcomes of the lawsuits, now pending, are not determinable. As the outcomes are not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

11. Commitments and Contingencies (Continued)

(b) Pension Liability

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 163,000 active members and approximately 60,000 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, 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 in 2013. The actuary does not attribute portions of the surplus to individual employers. The Town of Ladysmith paid \$284,814 (2009 - \$274,815) for employer contributions to the plan in fiscal 2010.

(c) Reciprocal Insurance Exchange Agreement

The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

11. Commitments and Contingencies (Continued)

(d) Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. Each regional district through its member municipalities who share in the proceeds of a debt issue is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. The Authority pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

Upon maturity of a debt issue the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Town. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2010 the total of the Debt Reserve Fund was comprised of:

General Sewer	Demand Note \$ 134,456 4,270	Cash \$ 55,838 1,517	Reserve \$ 190,294 5,787
Total MFA Reserve Fund	\$ 138,726	\$ 57,355	\$ 196,081

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

12. Significant Taxpayers

The Town is reliant upon 10 taxpayers for approximately 23% of the total property tax revenue which includes Western Forest Products at approximately 15.9% of the total property tax revenue.

13. Funds Held in Trust

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries; in particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation, trust funds are not included in the Town's Financial Statements. A summary of trust fund activities by the Town is as follows:

	2010	2009
Assets		
Cash and short term investment	\$135,157	\$130,976
		,
Equity		
Opening balance	\$130,976	\$138,068
Interest	1,688	1,273
Transfer interest to fund cemetery costs	(1,688)	(13,700)
Contributions-	4,181	5,335
Balance, end of year	\$135,157	\$130,976

14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

15. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	2010	2009 Restated (Note 17)
Unappropriated equity	\$2,621,563	\$2,554,998
Appropriated equity (Schedule IV)	5,268,008	5,941,719
	7,889,571	8,496,717
Capital Funds		
Sewer capital fund	804	794
Water capital fund	537,808	534,532
	538,612	535,326
Reserve Funds		
Reserve funds (Schedule IV and VI)	218,834	465,350
Equity in Tangible Capital Assets	69,691,482	59,978,118
Total Accumulated Surplus	\$78,338,499	\$69,475,511

16. Fiscal Plan

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 10, 2010.

The Financial Plan anticipated the use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. In addition, the Financial Plan anticipated capital expenditures rather than amortization expense.

The following shows how these amounts were combined:

Financial Plan Bylaw surplus for the year	\$ -
Add back:	·
Principal debt repayment	229.039
Capital expenditures	23,106,372
Less:	,
Budgeted transfers from accumulated surplus	(3,582,049)
Capital expenditures expensed	(164,200)
Adjusted Annual Surplus	\$19,589,162

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

17. Prior Period Adjustments

The prior year's figures have been retroactively restated to alter the treatment and presentation of tangible capital assets in accordance with the Town's tangible capital asset policy as described in note 2.

Previously, the Town recorded the original cost of sewer, water and storm services separately from the main systems. The Town has revised its method of accounting to record services and main systems as a single unit to be consistent with the management's ongoing accounting of capital projects. The cost and accumulated amortization of the sewer, water and storm services has been restated to account for the change in accounting policy.

The prior year's figures have also been retroactively restated to correct the original costs for roads and to account for a land disposal of a right of way.

The original cost for road additions was updated for revised fair values based on the in-service year and the revised conditional assessments for the road. In addition the land was adjusted for the disposal of a right of way inadvertently recorded as land disposal.

2009 Tangible Capital Assets

Cost, opening balance Change in accounting for sewer, water and storm services Revised road costs Cost, opening balance, restated	\$85,314,607 (634,968) (318,231) \$84,361,408
Accumulated amortization, opening balance Change in accounting for sewer, water and storm services Revised road costs Accumulated amortization, opening balance, restated	\$23,997,257 (533,109) (612,670) 22,851,478
Net book value, opening balance, restated	\$61,509,930
2009 Annual Surplus	
Annual surplus, as previously stated Change in gain on disposal of tangible capital assets for	\$2,735,107
the disposal of a land right of way	35,501
Change in amortization	50,234
Annual surplus, restated	\$2,820,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

18. DL 2016 Holdings Corporation ("DL 2016")

The Town of Ladysmith has an investment in DL 2016 Holdings Corporation, a wholly owned subsidiary company of the Town. As of December 31, 2010 there has been no activity with DL 2016 and therefore no investment has been recorded.

The Town of Ladysmith leases portions of its waterfront from the Province of British Columbia parts of which are sub-leased to DL 2016 for use as a marina.

DL 2016 has entered into operation and maintenance agreement and a license agreement with the Ladysmith Maritime Society (LMS) for the operation and management of the lease area.

Pursuant to these agreements DL 2016 could provide security for debt financing in order for LMS to implement capital improvements to the lease area.

19. Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, police protection (RCMP), cemetery, recreation centre, garbage collection and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government Services

The Corporate Services Department supports the legislated activities of Council, and provides information to citizens with respect to Council/Committee processes, reporting procedures and decisions, and Town activities. Also included is the Finance Department, Information Technology and Human Resources. The City Manager is the liaison between Council and the Town departments and staff.

Capital Funding

Reflects the monies required to fund capital projects during a fiscal year. Included are transfers from development fees, grants, donations, investment income and proceeds from sale of real property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

19. Segmented Information (Continued)

Protective Services

Protection is comprised of fire protection, policing, bylaw enforcement and building inspection.

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the Town of Ladysmith.
- Fire protection is provided by the fire department, whose volunteer members receive compensation for each call-out in which they take part.
- Policing is provided under contract with the RCMP operating from a detachment building located in and owned by the Town of Ladysmith.
- The Town of Ladysmith's Development Services and Public Works Departments work together to regulate all construction within the Town. This is achieved through the use of the Town of Ladysmith's Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments with the Town of Ladysmith.

Library Services

A local library is funded by the Town through contributions to the Vancouver Island Regional Library which is responsible for library operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2010

19. Segmented Information (Continued

Transportation, Environment and Public Health

The Transportation (Public Works) Department is responsible for the infrastructure of the Town:

- Ensuring clean and safe water to the Town, supplied through underground pipes and reservoirs,
- Maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it,
- Providing and maintaining the Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants,
- Providing other key services including street cleaning and the operation of a local bus service.

Environmental Health (Public Works) is responsible for the garbage collection and compost and recycling programs operating in the Town of Ladysmith. Garbage and recycling collection is performed by a contractor.

Public Health (Public Works) Department provides cemetery services including the maintenance of the cemetery grounds.

Transportation (Public Works) operates the Ladysmith Trolley.

Development

The Development Services Department provides short-term and long-term land use planning services.

- Long-term Planning includes work with the community on reviewing the Town's Official Community Plan, developing new Neighbourhood Plans, the Trail Plan and the review of relevant bylaws.
- Short-term Planning includes the processing of development applications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2010

19. Segmented Information (Continued

Recreation and Culture

The Parks, Recreation and Culture Department contributes to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities. The Frank Jameson Community Centre is the location where the majority of the programs are offered.

Parks includes and provides maintenance of beach area, trails, golf course, spray-park, ball parks, and any other civic grounds.

Water

Water includes all of the operating activities related to the treatment and distribution of water throughout the Town.

Sewer

Sewer includes all of the operating activities related to the collection and treatment of waste water (sewage) throughout the Town.

LONG TERM DEBT

FOR THE YEAR ENDED DECEMBER 31, 2010 SCHEDULE I

Date of Issue Purpose	Issue #	Term	Original Amount	Balance Dec 31, 2009	Principal Payments & Adjustments	Balance Dec 31, 2010	Interest (1)	Interest Rate
Sewer Capital Fund								
2000 Sewer Improvements	72	2000- 2015	\$93,500	\$ 45,721	\$6,807	\$38,915	\$ 795	6.45%
General Fund								
2000 First Avenue	73	2000- 2015	\$ 1,438,000	\$ 703,188	\$104,689	\$598,498	\$58,246	6.35%
2005 Fire Truck Lease	LS	2010- 2015	311,189	124,759	43,640	81,119	(4,891)	1.75%
2006 RCMP Building	97	2006- 2031	2,750,000	2,543,873	74,278	2,469.594	119,906	4.66%
2006 FJCC Fitness EQ	LS	2006- 2011	35.929	10,506	8,069	2,437	(564)	4.50%
2006 FJCC Fitness EQ	LS	2006- 2011	54.949	16,068	12,341	3.727	(862)	4.50%
2006 FJCC Photocopier	LS	2006- 2011	15,405	4.728	3,494	1,234	, ,	
2007 Command Resp. Unit	LS	2007- 2012	62,780	30,583	•	·	(257)	4.50%
OTIL	LO	2012	02,700	30,383	14,786	15,797	(1,613)	5.00%
			4,668,252	3,433,705	261,297	3,172,406	169,965	
			\$4,761,752	\$3,479,426	\$268,104	\$ 3,211,321	\$170,760	

⁽¹⁾ Interest, net of actuarial and provincial sales tax adjustment.

TAX REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE II

	Actual 2010	Budget 2010	Actual 2009
General Taxes		-	
General municipal purposes	\$ 6,002,485	\$ 6,001,211	\$ 5,614,084
Grants in lieu and 1% utility tax	139,667	139,144	137,369
Water and sewer parcel tax	563,778	549,200	552,204
	\$ 6,705,930	\$ 6,689,555	\$ 6,303,657
Collections for other governments:			
School district	\$ 2,923,808	\$ 2,919,312	\$ 2,863,212
Regional hospital district	287,856	287,465	231,992
Regional district	618,738	617,773	571,668
BCAA and MFA	87,285	87,154	83,757
	\$ 3,917,687	\$ 3,911,704	\$ 3,750,629
Less:			
Transmission of taxes levied for other governments	:		
School district	\$ 2,923,808	\$ 2,919,312	\$ 2,863,212
Regional hospital district	287,465	287,465	231,756
Regional district	617,773	617,773	571,120
BCAA and MFA	87,266	87,154	83,802
	\$ 3,916,312	\$ 3,911,704	\$ 3,749,890
Net Taxation	\$ 6,707,305	\$ 6,689,555	\$ 6,304,396

SCHEDULE OF FEES AND CHARGES

FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE III

	Actual 2010	Budget 2010	Actual 2009
General Revenue Fund			
Fines and Licence Revenue	\$ 72,970	\$80,000	\$71,150
Garbage Collection	450,663	450,000	443,616
General Revenue Fund	3,145	2,400	13,163
Cemetery Revenue	35,790	50,000	47,010
Miscellaneous Revenue	210,284	90,500	108,616
Parks, Recreation & Culture Revenue	657,084	632,120	613,822
Permits and Fees (Subdivisions)	120,588	150,500	90,628
Protective Services Revenue	268,953	267,648	336,012
	\$1,819,477	\$1,723,168	\$1,724,017
Sewer Utility Fund			
User Rates	\$616,503	\$ 592,300	\$ 602,516
Waterworks Utility Fund User Rates	\$674,268	\$ 662,350	¢ 646 966
333. 1.4.63	ψ014,200	φ 00∠,330	\$ 616,866
Total Fees and Charges	\$3,110,248	\$2,977,818	\$2,943,399

CONTINUITY SCHEDULE OF RESERVES AND APPROPRIATED EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE IV

1 1 1 1 1 1 1 1 1 1	RESERVES Tax Sale	Balance Dec. 31, 2009 \$23,948	Interest Allocated \$301	Contributions	Funding	Balance Dec. 31, 2010 \$24,249
Saic Real Propérty				-	-	
Manerity Funds		,		1.000.022	0.007.064	
APPROPRIATED EQUITY - OPERATIONS		•			2,201,001	,
Development Services					0.007.004	
Development Services	TOTAL RESERVES	465,350	18,312	2,023,033	2,287,861	218,834
Future Projects						
Heritage						
Official Community Plan 10,283 - - 10,283 General Planning - 8,000 - 78,989 Total Development Services 160,784 - 15,500 9,045 167,239 General Government Services - - 40,054 52,855 326,750 Equipment 63,104 - - 65,104 Staff Appreciation 987 - - 987 Sick/vacation reserve 65,533 - 14,200 51,333 Tax contingency 311,266 - - 50,000 261,266 Total General Government Services 780,441 - 40,054 117,055 703,400 Parks, recreation and culture 80,441 - 40,054 11,7055 703,400 Parks, recreation and Culture 46,043 - 46,043 - 46,043 - 46,043 - 48,043 - 48,043 - 48,043 - 48,043 - 48,043 -			-	7,500	9,045	
General Planning Waterfront 79,898 - 8,000 - 8,089 Total Development Services 160,784 - 15,500 9,045 167,239 General Government Services 339,551 - 40,054 52,855 326,750 Equipment 63,104 - - 63,104 Staff Appreciation 987 - 14,200 51,333 Tax contingency 311,266 - 50,000 261,266 Total General Government Services 780,441 40,054 117,055 703,440 Parks, recreation and culture 66,533 - 46,043 - 11,174 Euture Projects 46,043 - 46,043 - 11,174 Euture Projects 46,043 - 5,400 - 5,400 Parks 31,523 - 5,400 4,803 26,721 Total Parks, Recreation and Culture 88,740 - 5,400 - 16,296 Potective Services 35,621 73,000 </td <td></td> <td>•</td> <td>-</td> <td>-</td> <td>=</td> <td></td>		•	-	-	=	
Waterfront 79,898 - - 79,898 Total Development Services 160,784 - 15,500 9,045 167,239 General Government Services 339,551 - 40,054 52,855 326,750 Equipment 63,104 - - 63,104 Staff Appreciation 987 - - 987 Sick/vacation reserve 65,533 - 14,200 51,333 Tax contingency 311,266 - 50,000 261,266 Total General Government Services 780,441 40,054 117,055 703,440 Parks, recreation and culture 80,443 - 46,043 - 11,174 Building - 5,400 - 5,400 - 11,174 Building - 5,400 50,406 43,295 - 71 - 11,174 - - 11,174 - - 11,174 Building - - - 1,200 - - <td></td> <td>10,283</td> <td>-</td> <td>-</td> <td>-</td> <td>•</td>		10,283	-	-	-	•
Total Development Services		-	-	8,000	-	
Seneral Government Services			-	-	-	
Future Projects 339,551 40,054 52,855 326,750 Equipment 63,104 63,104 Staff Appreciation 987 987 Sick/vacation reserve 65,533 14,200 Sick/vacation reserve 65,533	Total Development Services	160,784	_	15,500	9,045	167,239
Equipment 63,104 -	General Government Services					
Staff Appreciation 987 - - 14,200 51,333 - 14,200 51,333 Tax contingency 311,266 - - 50,000 261,266 - 50,000 261,266 - 50,000 261,266 - 50,000 261,266 - 50,000 261,266 - 50,000 261,266 - 50,000 261,266 - 703,440 - 703,440 - 703,440 - 703,440 - 703,440 - 703,440 - 703,440 - 703,440 - - 703,440 - - 703,440 - - 703,440 - - 703,440 -	Future Projects		-	40,054	52,855	326,750
Sick/vacation reserve 65,533 - 14,200 51,333 Tax contingency 311,266 - 50,000 261,266 Total General Government Services 780,441 - 40,054 117,055 703,440 Parks, recreation and culture 846,043 - - 46,043 - 1 46,043 - 11,174 - - 146,043 - 5,400 - 11,174 - - 14,003 - 5,400 - 5,400 - 5,400 - 5,400 - 5,400 - 5,400 - 2,6072 - <td< td=""><td>Equipment</td><td>63,104</td><td>-</td><td>-</td><td>-</td><td>63,104</td></td<>	Equipment	63,104	-	-	-	63,104
Tax contingency 311,266 - - 50,000 261,266 Total General Government Services 780,441 - 40,054 117,055 703,440 Parks, recreation and culture 846,043 - - 46,043 - Equipment 11,174 - - 5,400 5,400 Parks 315,523 - - 5,400 50,846 43,295 Portice Services 88,740 - 5,400 50,846 43,295 Protective Services 88,740 - 5,400 50,846 43,295 Fire - Equipment 16,296 - - - 16,296 Fire - Equipment 19,325 - 73,000 - 108,621 Transportation 19,325 - 73,000 - 108,621 Transportation 159,639 - 292,000 93,011 358,628 Consulting 20,000 - - - 20,000 Vehicles 3	Staff Appreciation	987	-	-	-	987
Total General Government Services 780,441 - 40,054 117,055 703,440 Parks, recreation and culture 146,043 - 46,043 - 11,174 - 5,400 - 5,400 - 5,400 - 5,400 - 5,400 - 5,400 - 6,403 26,721 - 2,721 - 7,400 - 5,400 - 5,400 - 5,400 - 5,400 - 6,803 26,721 - 26,721 - 7,200 - 5,400 - 5,805 - 26,721 - 6,206 - 6,206 - 6,206 - 6,206 - 6,206 - 6,206 - 7,200 - 7,200 - 7,205 - 7,200 - 16,296 - 7,3,000 - 7,3,000 - 16,296 - 7,3,000 - 10,8621 - 7,3,000 - 10,8621 - 7,3,000 - 10,8621 - 7,3,000 - 10,8621 - 7,3,000 - 10,8621 - 7,3,000 - 10,8621 - 7,3,000 - 10,8621 - 10,8621 - 10,8621 - 10,962 - 10,962 - 10,8621 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 - 10,962 <t< td=""><td>Sick/vacation reserve</td><td>65,533</td><td>-</td><td>-</td><td>14,200</td><td>51,333</td></t<>	Sick/vacation reserve	65,533	-	-	14,200	51,333
Parks, recreation and culture 46,043 - - 46,043 - - 11,174 - - 11,174 - - 11,174 - - 11,174 - - - 11,174 - - - 11,174 - - - 11,174 - - - 11,174 - - - 11,174 - - - 11,174 - - - 14,003 - 5,400 - 5,400 - 5,400 - <th< td=""><td>Tax contingency</td><td>311,266</td><td>-</td><td></td><td>50,000</td><td>261,266</td></th<>	Tax contingency	311,266	-		50,000	261,266
Future Projects 46,043 - - 46,043 - Equipment 11,174 - - 5,400 - 5,400 Parks 31,523 - - 4,803 26,721 Total Parks, Recreation and Culture 88,740 - 5,400 50,846 43,295 Protective Services - - - - 16,296 Protective Services 35,621 - 73,000 - 108,621 Transportation - - 73,000 - 108,621 Transportation - - - - 20,000 Puture Projects 159,639 - 292,000 93,011 358,628 Consulting 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 2,9	Total General Government Services	780,441	-	40,054	117,055	703,440
Equipment 11,174 - - 5,400 - 11,174 Building - 5,400 - 5,400 26,721 Total Parks, Recreation and Culture 88,740 - 5,400 50,846 43,295 Protective Services - - 5,400 50,846 43,295 Protective Services - - - - 16,296 Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 92,325 Total Parks 159,639 - 292,000 93,011 386,628 Consulting 20,000 - - - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 <	Parks, recreation and culture					
Building Parks - 5,400 - 5,400 Parks 31,523 - - 4,803 26,721 Total Parks, Recreation and Culture 88,740 - 5,400 50,846 43,295 Protective Services - - - - 16,296 Fire - Equipment 19,325 - 73,000 - 108,621 Police - Equipment 19,325 - 73,000 - 108,621 Transportation - - 73,000 - 108,621 Transportation - - - 20,000 - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 392,407 393,630 108,217 393,630 109,000 108,210 109,500 390,000 108,210 100,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000 109,000	Future Projects	46,043	_	-	46.043	-
Parks 31,523 - - 4,803 26,721 Total Parks, Recreation and Culture 88,740 - 5,400 50,846 43,295 Protective Services 36,740 - 5,400 50,846 43,295 Fire - Equipment 16,296 - - - - 16,296 Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 106,621 Transportation - - 73,000 - 106,621 Transportation - 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 743,605 - - - -	Equipment	11,174	-	-	· -	11,174
Parks 31,523 - - 4,803 26,721 Total Parks, Recreation and Culture 88,740 - 5,400 50,846 43,295 Protective Services 36,740 - 5,400 50,846 43,295 Fire - Equipment 16,296 - - - - 16,296 Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 106,621 Transportation - - 73,000 - 106,621 Transportation - 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 743,605 - - - -	Building	-	-	5,400	-	5,400
Total Parks, Recreation and Culture 88,740 - 5,400 50,846 43,295 Protective Services 81,6296 - - - - 16,296 Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 108,621 Transportation - - 292,000 - 108,621 Total Protective Services 159,639 - 292,000 93,011 358,628 Consulting 20,000 - - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 608,110 - - - - 168,110 MFA Surplus Refunds 575,495 - -	Parks	31,523	_	-	4,803	26,721
Protective Services Fire - Equipment 16,296 - - - 16,296 Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 108,621 Transportation - - 73,000 - 108,621 Transportation - - - 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund - - - - - 168,110 Capital Expenditures 168,110 - - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755	Total Parks, Recreation and Culture	88,740	-	5,400		43,295
Fire - Equipment 16,296 - - 16,296 Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 108,621 Transportation - - 292,000 93,011 358,628 Consulting 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund Capital Expenditures 168,110 - - - 168,110 MFA Surplus Refunds 575,495 - - - 743,605 Sewer Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - - 606,353 <t< td=""><td>Protective Services</td><td></td><td></td><td>V 15.7 V 1.00</td><td>,</td><td>, , , , , , , , , , , , , , , , , , , ,</td></t<>	Protective Services			V 15.7 V 1.00	,	, , , , , , , , , , , , , , , , , , , ,
Police - Equipment 19,325 - 73,000 - 92,325 Total Protective Services 35,621 - 73,000 - 108,621 Transportation - - 292,000 - - - 20,000 Vehicles 20,000 - - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 2,980,055 - 586,531 390,906 1,793,630 Water Operating Funds 575,495 - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - - 606,353 Total Sewer Operating Fund 3,600,108 - -		16.296	_	-	_	16.296
Total Protective Services 35,621 - 73,000 - 108,621 Transportation 159,639 - 292,000 93,011 358,628 Consulting 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 2,983,755 - - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531		•	-	73.000	_	
Transportation Future Projects 159,639 - 292,000 93,011 358,628 Consulting 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 20,93,755 - - - - - 168,110 MFA Surplus Refunds 575,495 - - - - - 575,495 Total Water Operating Fund 743,605 - - - - - 743,605 Sewer Operating Fund 2,993,755 - - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773					_	
Future Projects 159,639 - 292,000 93,011 358,628 Consulting 20,000 - - - 20,000 Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 2,911 - - - - - 168,110 MFA Surplus Refunds 575,495 - - - - 575,495 Total Water Operating Fund 743,605 - - - - 743,605 Sewer Operating Fund 2,993,755 - - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
Consulting Vehicles 20,000 / September 1		159 639	_	292 000	93 011	358 628
Vehicles 352,780 - 160,577 120,950 392,407 Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund 20,000 - - - - 168,110 MFA Surplus Refunds 575,495 - - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008			-	-	-	
Total Transportation 532,419 - 452,577 213,961 771,035 Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund Capital Expenditures 168,110 - - - - 168,110 MFA Surplus Refunds 575,495 - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund Capital Expenditures 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008			-	160.577	120.950	
Total General Fund Appropriated Equity 1,598,005 - 586,531 390,906 1,793,630 Water Operating Fund Capital Expenditures 168,110 - - - - 168,110 MFA Surplus Refunds 575,495 - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008			-		,	
Water Operating Fund Capital Expenditures 168,110 - - - 168,110 MFA Surplus Refunds 575,495 - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008			_			
Capital Expenditures 168,110 - - - 168,110 MFA Surplus Refunds 575,495 - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008	Total General und Appropriated Equity	1,090,000		300,331	390,900	1,795,050
MFA Surplus Refunds 575,495 - - - 575,495 Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008	Water Operating Fund					
Total Water Operating Fund 743,605 - - - 743,605 Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008		168,110	-	-	-	168,110
Sewer Operating Fund 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008	MFA Surplus Refunds	575,495	-	-	-	575,495
Capital Expenditures 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008		743,605	-	-	_	743,605
Capital Expenditures 2,993,755 - - 869,335 2,124,420 MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008	Sewer Operating Fund					
MFA Surplus Refunds 606,353 - - - 606,353 Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008		2 993 755	=	=	860 335	2 124 420
Total Sewer Operating Fund 3,600,108 - - 869,335 2,730,773 TOTAL APPROPRIATED EQUITY \$5,941,718 \$- \$586,531 \$1,260,241 \$5,268,008			_	_	000,000	
TOTAL APPROPRIATED EQUITY \$ 5,941,718 \$- \$ 586,531 \$1,260,241 \$5,268,008	•			_ _	860 335	
	Total Jewel Operating I tillu	3,000,100			000,000	2,130,113
TOTAL RESERVES AND APPROPRIATED EQUITY \$6,407,068 \$18,312 \$2,609,564 \$3,548,102 \$5,486,842	TOTAL APPROPRIATED EQUITY	\$ 5,941,718	\$-	\$ 586,531	\$1,260,241	\$5,268,008
	TOTAL RESERVES AND APPROPRIATED EQUITY	\$6,407,068	\$18,312	\$2,609,564	\$3,548,102	\$5,486,842

		2010	2009
Openir	ng balance of unspent funds	\$ 332,967	\$ 290,645
Add:	Amount received during the year Interest earned	252,738 5,638	255,894 2,086
Less:	Amount spent on projects	(50,074)_	(215,658)
Closing	g balance of unspent funds	\$ 541,269	\$ 332,967

STATEMENT OF RESERVE FUND ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2010

SCHEDULE VI

	2010	2009
Revenue		
Investment income	\$ 18,311	\$ 4,261
Contributions from developers	63,000	2,000
Net Revenues	81,311	6,261
	(007.007)	040.057
Transfers to operating fund	(327,827)	216,257
Changes in Reserve Fund Balances	(246,516)	222,518
onunges in reconvert and Balanese	(210,010)	,010
Funding Surplus, Beginning of Year	465,350	242,832
•		
Funding Surplus, End of Year	\$ 218,834	\$ 465,350

SCHEDULE OF RESTRICTED RESERVES, RESERVES AND EQUITY BY FUND

AS AT DECEMBER 31, 2010

SCHEDULE VII

	Restricted Reserves	Allocated Reserves	Appropriated Equity	Unappropriated Equity	Capital Funds Equity	Total
General operating fund	\$-	\$-	\$1,793,630	\$(150,240)	\$-	\$ 1,643,390
Water operating fund	-	-	743,605	1,091,135	-	1,834,740
Sewer operating fund	-	-	2,730,773	1,680,668	-	4,411,441
Reserve fund	2,242,345	218,834		-	-	2,461,179
Water capital fund	-	-	-	-	537,808	537,808
Sewer capital fund	-	-	-	-	804	804
Total	\$2,242,345	\$218,834	\$5,268,008	\$2,621,563	\$ 538,612	\$10,889,362

TOWN OF LADYSMITH

Statement of Operations by Segment AS AT DECEMBER 31, 2010

AS AL DECEMBER SI, 2010					Transport						
	Government	Capital	Protective	Library	Environment & Public Health	Development	Recreation & Culture	Unallocated	Water	Sewer	Total Actual
	2010		2010	2010	2010	2010	2010	2010	2010	2010	2010
REVENUE								•		1	
Тах		· ·	\$ 1,107,403	\$ 251,924	\$ 1,802,725	\$ 411,225	\$ 933,927	•	\$ 324,326	\$ 315,748	\$ 6,707,305
Grants	146,571	•	Ĭ	•	•	43,105	129,516	•	•	•	319,192
User fees	•	•		,	486,453	90,452	664,031	•	674,268	616,503	2,531,707
Permits, licences and fines	1,055	ı	51,233		2,000	151,623	1	•	Ì	•	205,911
Investment income	87,107	•	•	•	•	•	•	•	•	•	87,107
DCC revenue & other funding											
of capital works	•	9,238,822	•	•		•	•	1	•	•	9,238,822
Other revenue	156,489	1	324,418		1	3	85,211			8,922	575,040
Total revenue	1,951,249	9,238,822	1,483,054	251,924	2,291,178	696,405	1,812,685	0	998,594	941,173	19,665,084
000											
Advertising	10 607	,	2 984	•	1.521	11.347	41.671	ı	1,341		69,471
Building Rental	,	ı	· ·	,	1	25,132		•	ı	,	25,132
Contract Services	178.066	•	164,746	•	472,306	78,876	58,873	ī	84,215	9,476	1,046,558
Grants In Aid	99,272	1		•		•	ı	•	٠	1	99,272
Insurance	81,179	•	23,234		4,088		16,863	,	3,577	602'6	138,650
Interest	58,246	•	113,402	•	•		(1,683)	i	į	795	170,760
Library		•	1	251,924	•	٠	•	•	٠	1	251,924
Materials & Supplies	30,601	,	60,388	•	166,205	5,262	82,714	i	39,949	33,029	418,148
Permits and Licences		•	,	•	1	•	•	•	•	6,788	6,788
Postade	11,266	•	ı	•	1	•	•	,	i	•	11,266
Repairs & Maintenance	5,638	,	20,243	•	•	1,601	106,057	•	•	į	133,539
Travel & Training	59,279	•	33,590	•	21,915	9,825	12,099		2,860	3,420	142,988
Utilities & Telephone	20,696	•	44,959	ı	129,215	7,410	114,293	•	39,815	64,963	421,351
Wages & Benefits	1,334,719	1	966,951	•	1,055,154	303,196	1,477,318	•	250,189	240,656	5,628,183
Rental own equipment	1,022	ı	2,913	•	120,820		16,932	•	34,212	32,103	208,002
Other	18,262	•	1,500	•	•	11,715	•	,	İ	2,345	33,822
Amortization	ſ	1,996,242				-	,	,	1	,	1,996,242
Total expenses	1.908.853	1.996.242	1.434.910	251.924	1,971,224	454,364	1,925,137	•	456,158	403,284	10,802,096
									ŀ	100	
Surplus (Deficit)	\$ 42,396	\$ 7,242,580	\$ 48,144	٠ ج	\$ 319,954	\$ 242,041	\$ (112,452)	÷>>	\$ 542,436	\$ 537,889	\$ 8,802,988

TOWN OF LADYSMITH
Statement of Operations by Segment
AS AT DECEMBER 31, 2009

	General				Transport Environment		Recreation &				Total
	Government	Capital	Protective	Library	& Public Health	Development	e	Unallocated	Water	Sewer	Actual
	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009	2009
REVENUE											
Тах	\$ 1,120,379	· &	\$ 1,094,539	\$ 243,595	\$ 908,690	\$ 337,135	\$ 1,600,304 \$	447,550	\$ 236,740	\$ 315,464	\$ 6,304,396
Grants	814,740	1	1	,	•	63,857	140,938				1,019,535
User fees	•	ì	•	1	490,626	•	613,822	•	596,409	601,491	2,302,348
Permits, licences and fines	2,049	٠	103,055	r	,	58,164	,		3,600	1.025	167,893
Investment income	81,047	1	1	•	2,932	•	,	ı	,		83,979
DCC revenue & other funding) • •
of capital works	•	3,280,949	,	•	1	•		•	•	•	3,280,949
Other revenue	154,979		333,722		56,150	85,445	1	,	16,857	8,922	656,075
Total revenue	2,173,194	3,280,949	1,531,316	243,595	1,458,398	544,601	2,355,064	447,550	853,606	926,902	13,815,175
EXPENSES											
Advertising	13,303	•	2,793	•	1,148	22,498	35,335	•	2,589	104	\$ 77,770
Building Rental	•	•	•	1		28,755	•	1			
Contract Services	165,122	1	785,665	٠	402,647	125,646	102,013	•	57,687	23.749	1.662.529
Grants In Aid	69,250	•		ı	•	•	•	1	,	•	69.250
Insurance	89,140	,	18,497	ŧ	6,260	•	15,818	•	1,043	5.384	136,142
Interest	59,495	1	129,298	•	•	•	1,914	,	,	2,166	192,873
Library	•	i	i	240,916	•	•	•	•	•	t	240,916
Materials & Supplies	33,089		68,664	•	142,418	8,013	176,373	,	66,121	29,146	523,824
Permits and Licences	•	•	1,076	,	1,930	•	594	•	1,863	6,788	12,251
Postage	13,205	1	•	i	٠	•	•	1	3,701	2,952	19,858
Repairs & Maintenance	57,366	ı	23,532	•	70,054	144,966	210,949	•	25,244	23,789	555,900
Travel & Training	41,080	•	25,069	1	12,138	11,526	36,889	1	666'9	10,161	143,862
Utilities & Telephone	18,969	i	40,010	•	99,128	11,600	115,423	1	2,819	23,584	311,533
Wages & Benefits	1,233,277	1	318,093	F	666,130	282,069	1,735,763	r	216,707	206.768	4.658,807
Rental own equipment	929	,	4,512	•	(8,632)	384	103,103	1	26,443	20,642	147.028
Other	13,059	•	2,422	1	•	135,062	6,887	•		,	157,430
Amortization	-	2,055,605	1			'		•	•	•	2,055,605
Total expenses	1,806,931	2,055,605	1,419,631	240,916	1,393,221	770,519	2,541,061	•	411,216	355,233	10,994,333
Surplus (Deficit)	\$ 366,263 \$	1,225,344	\$ 111,685	\$ 2,679 \$	65,177	\$ (225,918) \$	(185,997)	447,550	\$ 442,390 \$	571,669	\$ 2,820,842

TOWN OF LADYSMITH CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2010

				Vehicles		Linear Infrastructure	tructure			
	Land	Land Improvements	Buildings	Furniture & Equipment	Transportation	Sanitary Sewer	Storm Sewer	Water	Assets Under Construction	2010 Total
COST Opening Balance Add: Additions Less: Disposals	\$ 8,481,566 \$ 97,600 181,212	\$ 3,062,995 168,612	\$ 12,743,342 1,478,783	000	\$ 23,472,981	\$ 9,751,008 3,863,420	\$ 7,126,302 154,898 9,376	7,126,302 \$ 13,131,372 154,898 274,639 9,376	\$ 5,598,271 8,217,943 2,784,361	\$ 88,364,626 14,512,165 3,116,799
Less: Wrtte-downs Closing Balance	8,397,954	3,231,607	14,222,125	4,998,681	23,585,509	13,614,428	7,271,824	13,406,011	11,031,853	99,759,992
ACCUMULATED AMORTIZATION Opening Balance Add: Amortization Less: Write-downs Less: Acc. Amortization on Disposals Closing Balance		1,568,610 93,792 - 1,662,402	2,331,055 320,884 - - 2,651,939	2,622,367 290,804 - 116,850 2,796,321	9,931,785 761,414 - - - 10,693,199	4,011,339 191,179 - - 4,202,518	1,465,615 95,994 - 4,687 1,556,922	2,976,313 242,175 - - 3,218,488		24,907,084 1,996,242 - 121,537 26,781,789
Net Book Value, year ended December 31, 2010	\$ 8,397,954 \$		1,569,205 \$ 11,570,186 \$	\$ 2,202,360 \$	\$ 12,892,310. \$	9,411,910	\$ 5,714,902	5,714,902 \$ 10,187,523	\$ 11,031,853	\$ 72,978,203

(1) Included in the tangible capital assets are leased assets with a total cost of \$480,698 (2009 - \$480,698) and accumulated amortization of \$127,243 (2009 - \$102,079).

(2) Included in land additions is \$75,400 parkland contribution from a developer.

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2010

				Vehicles		Linear Infrastructure	structure			
	-	Land	:	Furniture &					Assets Under	2009
1000	Land	improvements	Buildings	Equipment	Transportation	Sanitary Sewer	Storm Sewer	Water	Construction	Total
Opening Balance (Restated)	\$ 8,486,225 \$	\$ 3,062,995	\$ 12,726,263	\$ 4,697,538	\$ 23,338,698	\$ 9,247,305	\$ 7,126,302	7,126,302 \$ 12,893,093	\$ 2,782,993	\$ 84,361,412
Add: Additions Less: Disposals	4,659	1 (17,079	299,251	134,283	503,703		238,279	2,951,614	4,144,209
Less: Write-downs		,	1	,	'	1		•	,	000,01
Closing Balance	8,481,566	3,062,995	12,743,342	4,996,789	23,472,981	9,751,008	7,126,302	13,131,372	5,598,271	88,364,626
ACCUMULATED AMORTIZATION Opening Balance (Restated) Add: Amortization Less: Write-downs Less: Acc. Amortization on Disposals Closing Balance		1,476,028 92,582 - 1,568,610	2,016,916 314,139 - - 2,331,055	2,300,981 321,386 - - 2,622,367	9,134,764 797,020	3,820,104 191,235 4,011,339	1,370,704 94,911 - 1,465,615	2,731,981 244,332 - - 2,976,313		22,851,478 2,055,605 - - 24,907,083
Net Book Value, year ended December 31, 2009	\$ 8,481,566 \$	1,494,385	\$ 10,412,287	\$ 2,374,422	\$ 13,541,197	\$ 5,739,669	\$ 5,660,687	5,660,687 \$ 10,155,059 \$		5,598,271 \$ 63,457,543