

DISTRICT OF LANTZVILLE  
BRITISH COLUMBIA, CANADA

ANNUAL REPORT

PRESENTED TO COUNCIL ON JUNE 27<sup>th</sup>, 2011



**2010 Annual Report**

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## **PURPOSE OF THIS REPORT**

This report has two primary purposes. The first purpose is to provide information about the activities of the District of Lantzville (the "District") and its objectives for the fiscal year ended December 31<sup>st</sup>, 2010. The second purpose is to inform readers about the District's goals and objectives met during 2010, report on current year projects, goals and objectives, and identify priorities for the 2011 calendar year.

## **LETTER FROM THE MAYOR**

*An open letter to the citizens of the District of Lantzville*

It is with pleasure that I take this opportunity to provide an information update to the residents of Lantzville regarding municipal operations and services of the District for the year 2010.

Good governance begins with the identification of mission statement, values, identifying strategic priorities and developing an action plan to facilitate those priorities. Council's mission statement reads as follows:

*"provide a high level of affordable services in an environmentally and economically sustainable fashion, while managing growth of the community and respecting the unique rural character and charm".*

Along with this mission statement Council also established the following values:

*"Act in a professional manner at all times,*

*Have respect for:*

- each other,*
- the roles of Council & staff,*
- the decision making process,*
- opinions of all of our constituents,*

*Carry out adequate research and thoughtfully consider the issues before us, while serving and representing all our community".*

Since incorporation, Council has participated in annual Strategic Planning sessions as a means of identifying and establishing priorities in response to issues identified by both residents of the community and Council. Although Council elected to not conduct a strategic planning session in 2010, Council continues to work on their previous priorities identified for the years 2009 – 2011 as follows:

- Infrastructure – economically & environmentally sustainable infrastructure
- Service Delivery – high level service delivery
- Parks & Recreation – parks & recreation services that reflect Lantzville's unique rural character & charm
- Communications – respectful communications with all constituents
- Planning – managed planning and growth
- Finances – economically sustainable district finances
- Corporate Maintenance

Council strives to accommodate the desires of residents of the community and have taken advantage of funding opportunities in a number of initiatives. The provision of water and sewer services continues to be a high priority of Council. While Council was successful in negotiating an emergency water connection between the City of Nanaimo and the District of Lantzville, discussions continue between the two jurisdictions with regards to a permanent supply of potable water.

Council has experienced a number of successes when it comes to obtaining provincial/federal funding. Specifically, Council was successful in our funding application made under the BC Community Water Improvement Program for Phase 1 of the District's sanitary sewer collection system, which was completed in 2008. The District's success continued with our application for Phase 2 being approved under the new federal/provincial funding program entitled Canada – BC Municipal Rural Infrastructure Program. The project was completed in March, connecting 205 properties to the sewer system. Due to favourable construction costs as well as overall cost management of the project, monies remain that may facilitate an enlargement of Phase 2 with the addition of another 42 properties.

In 2007, the District was successful in its application to the BC Towns for Tomorrow Program and was awarded \$400,000 toward the Knarston Creek Overflow Project. This application was made in response to requests from Knarston Creek area residents that the District address the historical flooding issues. After 3 years of community consultation and design work, construction began in August 2010 and was completed in October 2010.

In addition to grants related to infrastructure, the District has also been successful in its application for grant funding in the amount of \$400,000 under the Towns for Tomorrow Program for trail construction. The grant will promote health and recreation for residents of Lantzville through the construction of Stage 1 of the E & N Rail Corridor - Aulds/Ware Roads Trail Project. Construction of this first section of trail is scheduled to begin in late summer/early fall.

The next general municipal election will be held on November 19, 2011 and I would encourage any interested individuals to become involved in your community and consider serving as a Member of Council. Residents and non-resident property owners who are unable to commit the time to a position on Council are encouraged to become involved through the voting process.

In closing, I would like to take this opportunity to encourage residents of the community to continue to provide input, either by attendance at meetings of Council, written submissions, or by scheduling a meeting with myself or any other member of Council and/or staff of the District. We, as a Council, wish to ensure that we continue to recognize and implement the desires of the community and while some decisions of Council may not always be popular with residents, Council does endeavour to make decisions that will benefit the entire community of Lantzville.

Sincerely



Colin Haime  
Mayor

## **DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS**

In accordance with Section 98(2)(e) and Section 111 of the *Community Charter*, the following is a list of disqualified Council Members.

- None

## **OBJECTIVES & MEASURES**

### **BACKGROUND**

The District of Lantzville was incorporated on June 25<sup>th</sup>, 2003. Much of Council's efforts continue to focus on implementing the basic infrastructure needs of the community such as water and sewer.

### **STRATEGIC DIRECTION FOR 2010**

The District of Lantzville conducts a comprehensive annual planning process which begins with strategic direction from Council. This is followed by a joint review by both Council and senior staff which focuses on the nature and extent of the services that the District will provide to its residents. Based on this framework, a five year Financial Plan is developed. The five year Financial Plan includes the costs of ongoing operations and planned capital expenditure projects to provide the necessary infrastructure for the proposed services.

Council recognizes the importance of planning and, since incorporation, continues to conduct strategic planning sessions as a means of identifying and establishing priorities, goals and objectives in response to issues identified by both residents of the community and Council. Council's priorities are as follows:

#### **A. Infrastructure**

- (i) Sewer - Implementation of the various phases of the sanitary sewer collection system continues to use a significant amount of staff time. Upon completion of the District's Sanitary Sewer Collection System – Phase 2, and due to favourable tender results and overall cost management of the project, the District is in a position to accommodate an enlargement of Phase 2 and utilize remaining available grant funding. The Ministry of Community, Sport and Cultural Development has confirmed that this money is available to the District and is in the process of reviewing the District's request for a change of project scope.
- (ii) Knarston Creek Overflow Project – In 2007 the District was successful in receiving Towns for Tomorrow (Provincial program) grant funding in the amount of \$400,000. After considering alternative project construction parameters, Council approved additional funding (from DCC's, Gas Tax funds, and prior years' surplus) subject to the remaining monies (\$253,200) being raised by an annual parcel tax applicable to those twenty-one (21) property owners identified in the LAS. Construction of the infrastructure works began in August 2010 and was completed in November 2010 within the financial parameters of the project.

- (iii) Water Supply – We continue to negotiate with the City of Nanaimo regarding a permanent connection/supply. Discussions are focused on costs associated with connection to the water supply as well as additional expectations on the part of the City that go beyond the relationship of just supplying water.

While we continue negotiations with the City, Council also continues to contemplate alternative/supplemental water sources that may result in less of a financial impact to the District yet achieve the same results.

- (iv) Community Hall (Costin) – The District's only community hall (Costin Hall) is currently leased by the Seaside Community Society (formerly O.A.P.O.) who in turn subleases the Heritage Church (also owned by the District). This lease is scheduled to expire December 31<sup>st</sup>, 2012. While Council received a formal request from the Lantzville Historical Society to obtain custodianship of the Heritage Church for the purpose of establishing a museum, Council elected to consult the community as to any other suggestions for future uses for these facilities. The District is also investigating the financial implications associated with making any structural changes to these facilities. Council will continue to contemplate alternate uses and any related costs during 2011.

## **B. Parks & Recreation:**

- (i) Trails and Journeyways Strategy - In 2009 and 2010 members of the Parks & Recreation Commission focused their attention on the development of a trails and journeyway improvement strategy. This strategy was ratified by Council in November 2010.

Members of the Commission will now focus on implementation of this strategy which includes a review of future locations of trails or journeyways that may be constructed throughout the District. An inventory has been compiled including identification of encroachments, signage, amenities that may be required, and estimated costs to construct/implement the trail/access.

- (ii) E&N Aulds/Ware Road Trail Project – A grant application was made in 2010 to the B.C. Towns for Tomorrow grant program for the construction of the Aulds Road to Ware Road section of the E&N Trail in Lantzville (1 of 6 sections in the District). Should the District be successful in its application, construction of this trail will commence in August 2011.
- (iii) Minetown Day - Members of the Parks & Recreation Commission continue to be responsible for Minetown Day and are looking forward to celebrating Minetown Day on Saturday, September 10<sup>th</sup>, 2011 with friends, residents and visitors.

**C. Communications:**

Appreciating the importance of good communications, Council continues to focus on improving communications/relationships as follows:

Fire Department – During 2010 Council met twice with the Fire Department members at the Fire Hall for an open discussion and update from both Council and Fire Department members, with one meeting specifically called to discuss First Responder services provided by members in the District. Council, senior staff and Fire Department members will continue to meet at least twice annually for these informal discussions.

**D. Planning:**

- (i) Official Community Plan - Council elected to postpone an in-depth review of the District's OCP in 2010. However, once Council elects to review the OCP items to be addressed may include:

- rationalization of the Zoning Bylaw to the OCP
- policy for major developments
- downtown design guidelines
- downtown revitalization/beautification
- east Lantzville properties
- housing options
- legalizing secondary suites

- (ii) Road Network Plan – A comprehensive road network plan provides direction to the District's planning and public works staff in evaluating subdivision or development proposals and can provide a basis for financial planning for future transportation infrastructure. Council has elected to defer the development of a road network plan to 2012.

**E. Finances:**

- (i) Community Works Fund (Gas Tax) – In 2004 the Federal Government announced that they would transfer a portion of federal gas tax revenue to communities. Since 2005 the District has received two installments per year (base funding amount & population based formula) which are expected to continue. This funding program is restricted to specific projects in addition to being subject to stringent reporting requirements. In 2010 Council elected to use \$36,800 of these funds as part of the funding formula for the Knarston Creek Overflow project.

- (ii) Utility Billing Schedule – Currently the District bills its residents for water and sewer (Phase 1 and 2) on a quarterly basis. A preliminary review of the costs to carry out our quarterly billing scheme have shown that savings may be experienced by the District if we were to consider a semi-annual billing cycle. However, sensitivities to the residents of the community who would be subject to this proposed billing scheme would need to be considered in addition to the implications relating to the inability to detect leaks in a timely manner.

- (iii) Replenish Reserve Funds – Given the economic uncertainty Council identified the need to review the District's reserve fund balances and consideration of future reserve contributions given the infrastructure projects undertaken by the District since incorporation. During the financial planning process and when requested, staff provide Council with analyses of the District's reserve fund balances and with suggested contribution levels in order to ensure adequate monies are available in future years for construction and replacement of District capital assets.

**F. Corporate Maintenance:**

Like infrastructure and finance, corporate maintenance consists of a number of components. Items such as legislative reporting requirements, daily operations, agenda preparation, meeting attendance, correspondence, policy research/writing, financial planning process, tax rates bylaw, annual property tax notice, annual report, our existing contractual arrangements with the Regional District of Nanaimo (a number of functions), and managing our planning consultant and approving officer are considered to be day-to-day activities and which take the majority of administration staff time. This certainly has an impact on any remaining time for staff to take on the 'supplemental' activities which are not routine and ongoing.



## **MUNICIPAL SERVICES & OPERATIONS FOR 2010 - OVERVIEW OF SERVICES**

The District currently provides the following services:

1. General Government
  - Administration
  - Corporate Services
  - Financial Services
2. Protective Services
  - Fire Suppression, Fire Prevention, Rescue
  - Emergency Preparedness
  - Bylaw Enforcement
3. Community Planning
  - Development Planning
  - Land Development and Subdivision
  - Building Inspections
4. Engineering & Public Works & Parks
  - Transportation, Roads and Drainage
  - Waterworks
  - Parks

In 2010, the District continued to contract the following services from the Regional District of Nanaimo: Building Inspection, Bylaw Enforcement, Animal Control, Mapping and Emergency Planning.

In the following section, the service is described and information on specific objectives and results of operations is presented.

### **DEPARTMENTAL REPORTS**

#### **1. General Government**

- **Administration**

The Chief Administrative Officer is responsible for the overall administration of the District's departments. The duties of this office include being an advisor to Council, implementing corporate policy, providing leadership and direction for senior staff in the day-to-day and long-term business affairs of the District in accordance with Council goals and objectives.

Goals & Related Progress (2010):

***Continue to Explore Options for Increasing Lantzville's Water Supply.***

Council of the District of Lantzville and Council of the City of Nanaimo have entered into a Memorandum of Understanding for the supply of water from the City of Nanaimo. Included in the MOU, as an interim measure, is a connection to the City's water supply in the case of an emergency. Negotiations continue regarding the principles surrounding a permanent water supply.

***Completion of Phase 2 of the Sanitary Sewer Collection System:***

Construction of the Huddlestone Road lift station was the last segment of this project to be completed in 2010. Final costs for this project were under budget due to favourable tendering and staff cost management, allowing for a possible enlargement of this Phase to utilize remaining grant funding available.

Goals for 2011:

1. Continue to pursue permanent water supply with City of Nanaimo in addition to investigating alternate supply sources
2. Facilitate the enlargement of Phase 2 of the Sanitary Sewer Collection System (42 connections), including coordinating final design, legislative processes, tenders, construction and ongoing communications with the property owners affected by this initiative.
3. Facilitate implementation of the Trails and Journeyways Strategy including construction of trails identified by Council and coordination of the Aulds-Ware trail project.
4. Investigate various new initiatives/alternatives in service delivery

Performance Measures

- ✓ degree of implementation of the above projects
- ✓ increase in basic infrastructure
- ✓ community feedback

• **Corporate Services**

Corporate Administration is responsible for ensuring accurate minutes of council and council committees are prepared and that minutes, bylaws and other records are maintained and kept safe; provide access to records; administering oaths and taking affirmations, affidavits and declarations; certifying copies of relevant documents; and keeping the corporate seal.

In addition to the above, the Corporate Services Department continues to develop, enhance and build on communications between other levels of government, various agencies, Council, staff, and residents of the community.

Goals for 2010 & Progress:

***Ensure the District Adheres to Legislation and Continues to Meet the Various Statutory Demands of Corporate Services:*** It is with great pleasure that we are able to report to the community that the District met and adhered to all legislative and regulatory requirements while we administered the infrastructure projects and when conducting the overall day to day operations of the municipality.

***Continue to Develop Various Policies as Directed by Council:*** We remain a relatively new municipality and, therefore, Council continues to establish various policies on the part of the District.

***Continue to Enhance Communication with Lantzville Residents:*** Community Updates were distributed to Lantzville residents in 10 of the 12 months in 2010. These Updates provide residents with information about District initiatives,

financial planning and property tax information, water restrictions, and other topics that may arise during the year.

Goals for 2011:

- ✓ continue to enhance and encourage communication with Lantzville residents
- ✓ continue to investigate appropriate bylaws and policies that will benefit the overall operations of the District
- ✓ facilitate 2011 local municipal election pursuant to legislation

Performance Measures:

- ✓ increased community feedback and involvement in District decision-making processes as a result of the various levels of communication methods used by the District
- ✓ adoption of bylaws & policies
- ✓ 2011 municipal election conducted pursuant to legislation

- **Financial Services**

The Finance Department's responsibilities include:

- levying and collecting municipal taxes and utility rates
- preparing accurate and full accounts of the District's financial affairs
- developing, monitoring & implementing the District's financial plan
- safeguarding and managing the District's assets
- reporting on the District's financial position
- developing and maintaining financial information systems and internal controls

Goals for 2010 & Progress:

***Ensure the District Adheres to Legislation and Continues to Meet the Various Statutory Demands Related to the Overall Financial Operations of the District:*** Submission of all legislated reporting requirements for the District's 2010 fiscal year were completed on time with the Statement of Financial Information (SOFI), including the various schedules, being submitted and completed prior to the deadline.

***Enhance the Financial Health of the District Through the Use of Thoughtful, Long-term Budgeting:*** As a first step in enhancing the financial planning process, staff prepared financial plans for core operating services and capital expenditures. The first draft of the 2011-2015 "core operating" financial plan, preliminary 2010 fiscal year amounts, a list of possible carry-forward items from 2010, and special operating and capital requests from staff and the Fire Department was presented as a complete package to Council. This new process allowed Council to have all of the information at once to consider various alternatives for inclusion in subsequent drafts of the Five Year Financial Plan.

***Continue to Promote Community Understanding of the District's Financial Plan by Presenting Financial Information in a Simplified Format:*** Changes noted above regarding the financial planning process were presented to the public earlier in the process than in prior years. Further, summary information regarding the Five Year Financial Plan was included in two Community Updates to allow for more community input and understanding. Staff also provided quarterly Finance

reports during 2010 at Regular Council meetings to keep Council and residents apprised of the District's financial position and progress on capital expenditures.

Goals for 2011:

- ✓ continue enhancing the financial planning process by focusing on the long-term, including capital asset needs and related capital reserve contributions
- ✓ continue to promote community understanding of the District's financial plan by presenting financial information in a simplified, easy to understand format
- ✓ review the District's purchasing policies to ensure appropriate financial controls are in place in addition to addressing the new TILMA requirements when acquiring goods and services (subject to threshold)
- ✓ review the District's utility billing process, including frequency of bills issued to residents

Performance Measures:

- ✓ adequate cash position to conduct planned municipal business
- ✓ increased community feedback and participation in developing the financial plan
- ✓ quarterly financial progress reports prepared and made available to Council and Lantzville residents
- ✓ Council acceptance of an amended purchasing policy
- ✓ Council receipt of a report regarding alternatives for utility billing

## **2. PROTECTIVE SERVICES**

- **Fire Suppression, Prevention and Rescue**

The Lantzville Volunteer Fire Department (Fire Rescue) provides the District's fire suppression, victim rescue/extrication, fire prevention, First Responder and public education services.

Goals for 2010 & Progress:

***Ensure Effective Fire Suppression Capability by Continuing Recruitment of Members, Conducting Adequate Training & Promoting Public Education:***

Under the leadership of the Fire Chief, Deputy Chief and various officers, the department continues to provide the level of public safety/protection that is desired. The Fire Department focuses on public education by way of regular visits to schools and youth groups within the District, participation in Fire Prevention Week in October, and with community consultation. The 2010 volunteer firefighter recruitment resulted in the Department having a full complement of 33 members.

***Ensure Effective Fire Suppression Capability by Assessing Current Fire Hall Inventory and Facilities:***

As part of the 2010 Financial Plan, Council approved the purchase of a computerized records management system (FirePro) for the Fire Department. For this project staff worked with the Fire Chief and Deputy Fire Chief to compile a list of data required for input into FirePro. This has provided a starting point for the Fire Hall inventory, but this system requires the Fire Hall to gather more detailed information regarding all assets in the Fire Hall as well as information about members and activity in the Fire Department. The Fire Department members continue to work on compiling the data and inputting it into the records management system.

Goals for 2011:

- ✓ completion of data gathering and input into the FirePro system
- ✓ ensure effective fire suppression capacity by assessing current Fire Hall inventory and facilities, with input from the FirePro system reports
- ✓ retain sufficient volunteer member levels
- ✓ ensure adequate training of volunteer membership
- ✓ increase level of public safety educational opportunities
- ✓ establish on going/regular communications with members of the Department

Performance Measures:

- ✓ effective use of the FirePro system by using outputs for reporting and decision-making
- ✓ degree of compliance with Fire Underwriters' Survey recommendations
- ✓ effective and efficient responses to fire, accident, and health emergency events
- ✓ member readiness when attending various calls
- ✓ public readiness in case of fire-related emergency

- **Emergency Preparedness**

The District has contracted with the Regional District of Nanaimo for the provision of Emergency Preparedness/Emergency Program Coordinator. This contractual arrangement has the Regional District of Nanaimo providing the District of Lantzville with an EPC on a permanent basis.

Goal for 2010 & Progress:

***Develop a Community Emergency Plan for the District:*** With the District now contracting our EPC services/function with the RDN our coordinator now focuses her attention to the implementation of the various components of emergency planning including, various assessment reports; open houses; and public education sessions. Our EPC has also secured emergency facilities in order to assist in making Lantzville emergency.

***Apply for Grant Funding Available for Emergency Functions:*** Our coordinator has applied for small amounts of grant funding available for the purchase of provisions for the District's Emergency Operations Centre, including communication equipment and administrative supplies.

Goals for 2011:

- ✓ EPC's attendance at various conferences/workshops and participating in the Mid-Island Emergency Program Coordinators function
- ✓ achieve efficiencies in an emergency situation by co-coordinating the provision of manpower and equipment between neighbouring municipalities, Mid-Island Emergency Program Coordinators and the Provincial Emergency Plan system
- ✓ continue to apply for various grant funding available specific to emergency functions
- ✓ coordination of continuing emergency preparedness training for District staff as needed
- ✓ purchase of emergency back-up generator for the District office/Emergency Operations Centre

Performance Measures:

- ✓ education & training that facilitates EPC competencies to deal with an emergency
- ✓ establish the District's own emergency response manual
- ✓ database facilitating easy access to community information that would provide the District with assistance in the case of an emergency
- ✓ emergency back-up generator purchased for amount within financial plan parameters

- **Bylaw Enforcement**

The District has a contractual arrangement with the Regional District of Nanaimo to provide bylaw enforcement services to Lantzville residents. A bylaw enforcement officer investigates complaints from residents relating to such matters as dangerous animals, noise control, land use and traffic violations. The bylaw enforcement officer takes the necessary steps to resolve the issue. The District's policy when dealing with enforcement issues are investigated upon complaint in addition to seeking voluntary compliance whenever possible.

Goals for 2011:

- ✓ reporting to Council at its in-camera meetings periodically during the year

Performance Measures:

- ✓ Council receipt of bylaw enforcement reports
- ✓ number of contraventions resolved on a voluntary basis

### **3. COMMUNITY PLANNING**

- **Land Use Planning**

The primary role of the Planning Department is to provide the District with a planning program to promote the orderly and economical development of the community by adhering to the District's OCP, Zoning and Subdivision Bylaws. Currently the District provides this service through a planning consultant; however, this service delivery model may change as our current consultant has indicated a desire to end this relationship once the District can secure another means of providing these services.

Goals for 2010 & Progress:

***Develop a Process that is User Friendly:*** While the District's planning consultant spends only one day in the District office, this time has been prescheduled to ensure minimal impact to residents/developers of the community utilizing this service.

***Develop Internal Procedures that will Facilitate the Planning Function in a Cost Effective Fashion:*** Internal procedures and policies have been established as it relates to land use applications. The District continues to review procedures and policies that will enhance current processes based on the advice, guidance and past experience and expertise of our planning consultant.

Goals for 2011:

- ✓ facilitate amendments to the zoning bylaw when required
- ✓ establish appropriate land uses throughout the District of Lantzville

Performance Measures:

- ✓ Council approval of amended zoning bylaws, after consultation with residents and other interested parties/stakeholders
- ✓ applicant satisfaction
- ✓ developer satisfaction

- **Land Development and Subdivision**

The Approving Officer processes subdivision applications to ensure that all legislative requirements are met, District policies and bylaws are adhered to, and that development approval is coordinated among District departments and outside agencies. To provide services in this area, the District has contracted this service. To mitigate costs and unnecessary demands of the Approving Officer's time, accommodations have been made to establish a reporting structure that sees all communications through the District Office.

Goals for 2010 & Progress:

***Appropriate Processing of Land Development/Subdivision Applications:***

Subdivision applications/approvals were done in a timely manner and in accordance with legislative requirements and District bylaws and policies.

Goals for 2011:

- ✓ subdivision applications/approvals are done in a timely manner
- ✓ subdivision applications/approvals are given subject to legislative requirements and that adhere to District's low impact development standards
- ✓ subdivision applications/approvals are given subject to application of the District's various applicable bylaws and policies

Performance Measures:

- ✓ timely manner in which subdivision applications/approvals are processed
- ✓ subdivisions are developed to the standards pursuant to District bylaws

- **Building Inspection**

Building Inspectors enforce the Building Code and regulatory bylaws governing building, heating, plumbing, and zoning. The District contracts with the Regional District of Nanaimo to provide Building Inspection services to the residents of Lantzville.

Goals for 2011-2012:

- ✓ building permit applications/approvals are done in a timely manner
- ✓ building permits are issued subject to meeting B.C. Building Code requirements, etc.

Performance Measures:

- ✓ timely manner in which applications/approvals are processed

#### 4. ENGINEERING/PUBLIC WORKS & PARKS

The District has three full-time and one temporary seasonal staff in this department which ensures the safe and efficient operation of the District's waterworks, Phase 1 & 2 sanitary sewer collection systems, storm drainage systems, parks, buildings, signage and other related facilities and equipment. In addition, a summer student is hired to assist with the maintenance of parks on a short-term basis.

- **Transportation, Roads and Drainage**

A municipality is responsible for maintaining local roads within its boundaries. The District contracts this service directly with Windley Contracting Ltd. Our public works department does provide some services as it relates to road maintenance such as pothole repairs, signage and other minor road repair items.

Goals for 2010 & Progress:

***Knarston Creek Overflow Project/Drainage:*** In 2007, the District secured Towns for Tomorrow grant funding in the amount of \$400,000 to address the ongoing flooding of Knarston Creek. After several years of consultation and consideration of various project alternatives, the District was successful in its application for a water license and the establishment of a LAS in mid-2010. Following favourable tender results, construction of the Knarston Creek Overflow Project began in August 2010 and was completed in November 2010. As a measurement of the project's success, the flooding that had occurred previously no longer occurs.

***Complete Connections and Restoration Related to Phase 2 - Sanitary Sewer Collection System for the District:*** The majority of the connections to Phase 2 of the Sewer Collection System were completed by the end of 2010. In order to facilitate some connections to the sewer system, rights of way were negotiated with some residents to construct sewer works through their properties. Restoration of these residents' yards was completed during 2010. With the construction of the project being under budget, staff began work with the District's engineers on designs for a possible enlargement of Phase 2 to facilitate connections for another 42 properties.

Goals for 2011:

- ✓ Complete remaining individual property connections to Phase 2 of the sanitary sewer collection system
- ✓ facilitate works associated with the potential enlargement of Phase 2
- ✓ to promote safe travel for pedestrians and cyclists identify, where appropriate, future trails/linkages as part of the implementation of the Trails and Journeyways Strategy

Performance Measures:

- ✓ degree of individual connections to Phase 2 sanitary sewer collection system
- ✓ construction of enlargement of Phase 2
- ✓ degree of trail identification and potential implementation within Financial Plan parameters



- **Waterworks**

The District supplies and distributes water for household use, commercial and fire suppression purposes to approximately 900 properties. The District is responsible for ensuring that the water it supplies meets strict drinking water quality guidelines. The District is also responsible for maintaining and improving the equipment and infrastructure related to this supply and distribution system.

Goals for 2010 & Progress:

***Continue to Seek/Investigate Supplemental Water Supply:***

To enhance the District's water supply negotiations continue with our neighbouring municipality the City of Nanaimo for the provision of water. As indicated earlier in this report, the District of Lantzville and the City of Nanaimo signed a Memorandum of Understanding which established the 'playing field' for the two parties.

***Ensure the District Provides Safe Reliable Water for Drinking Purposes:***

District staff conducted the required weekly and other periodic water testing and the Vancouver Island Health Authority found all results to be satisfactory.

***Continue to Provide Programs to Promote and Conduct Water***

***Conservation:*** The District established a low-flush toilet rebate program. District staff review applications and if residents qualify (i.e., provide receipt of CSA approved low flush toilet, proof of installation and photograph of the old, destroyed toilet), the District will provide a rebate to the property owners. While this program when introduced was intended to be temporary, Council continues to support this program and in 2010 allocated \$3500 in Council's Five Year Financial Plan. Twenty-eight residents received rebates totaling the \$3,500 available. Further, residents were advised of watering restrictions via monthly Community Updates, the District website, and notices in the utility billings.

Goals for 2011:

- ✓ ensure that the District provides safe reliable water for drinking purposes
- ✓ ensure that the District system operates with adequate flows for fire protection purposes
- ✓ protect the community aquifer through water conservation strategies such as public education, watering restrictions, tiered water consumption rates
- ✓ continue to promote the low-flush toilet rebate program
- ✓ construction of fencing around the well-field for added security of the water supply

Performance Measures:

- ✓ a new water supply source is identified and an implementation strategy is developed
- ✓ satisfactory results from ongoing water sampling procedures
- ✓ reduction in water consumption, particularly in the peak summer months
- ✓ number of low-flush toilet rebate monies returned to property owners
- ✓ completion of fencing around well-field within financial plan parameters

## **STATEMENT OF PROPERTY TAX EXEMPTIONS**

In accordance with Section 98(2)(b) of the *Community Charter*, the following properties in the District of Lantzville were provided permissive property tax exemptions by Council

<b>Property Description</b>	<b>Exemption</b>	<b>Approximate Value of Taxation Exemption – 2010 (includes Municipal &amp; Other)</b>
<b>7113 Lantzville Road</b> St. Philip's by the Sea Anglican Church	Land & Improvements	\$2,059
<b>7244 Lantzville Road</b> Woodgrove Christian Community Church (Heritage Church)	Land & Improvements	\$1,909
<b>Lot 1, Plan 9671, DL 27G</b> Tennis Courts (School Rd.)	Recreation Land	\$2,857
<b>7232 Lantzville Road</b> Costin Hall	Land & Improvements	\$8,582
<b>7225 Lantzville Road</b> Seaview Centennial Branch #257 of The Royal Canadian Legion	Land & Improvements	\$6,817
<b>Island Corridor Foundation</b> Railways	Land	\$18,491

**District of Lantzville**  
**Consolidated Financial Statements**  
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Schedule C - Consolidated Schedule of Segment Disclosures for the year ended December 31, 2009.....	18

To the Mayor and Council  
District of Lantzville

We have audited the accompanying consolidated financial statements of the District of Lantzville, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations and accumulated surplus, change in net financial assets, cash flows and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility for the Consolidated Financial Statements*

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

*Auditors' Responsibility*

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

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

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

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the District of Lantzville as at December 31, 2010 and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

April 11, 2011

*Mayas Naris Penny LLP*

Chartered Accountants

# District of Lantzville

## Consolidated Statement of Financial Position

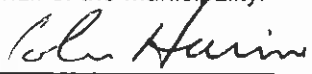
As at December 31, 2010



	2010	2009
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 4,925,814	\$ 4,028,077
Accounts receivable (Note 3)	593,781	1,712,899
	<u>5,519,595</u>	<u>5,740,976</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	501,077	685,604
Deferred revenue (Note 5)	908,785	818,613
Deposits (Note 6)	16,329	13,579
	<u>1,426,191</u>	<u>1,517,796</u>
<b>Net Financial Assets</b>	<u>4,093,404</u>	<u>4,223,180</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 7 and Schedule A)	30,459,576	28,840,069
Prepaid expenses	2,256	7,955
	<u>30,461,832</u>	<u>28,848,024</u>
<b>Accumulated Surplus (Note 8)</b>	<u>\$ 34,555,236</u>	<u>\$ 33,071,204</u>

**See accompanying notes and schedules to the consolidated financial statements.**

On behalf of the Municipality:

  
Colin Haime, Mayor

  
Jedha Holmes, CA, Deputy Director of Financial Services

# District of Lantzville

## Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2010



	2010	2010 Fin. Plan	2009
	<i>(Unaudited-Note 14)</i>		
<b>Revenue:</b>			
Taxation (Note 9)	\$ 1,389,364	1,387,935	\$ 1,358,717
Government grants and transfers (Note 10)	1,243,035	1,428,400	2,523,964
Utility taxes and fees	1,161,965	1,020,625	789,875
Services and Fees (own sources)	82,594	61,985	75,761
Grants in lieu of taxes	71,774	71,574	69,486
Interest	41,702	30,000	49,617
Development Cost Charges	36,000	36,000	-
Other	(9,696)	15,000	10,543
	<b>4,016,738</b>	<b>4,051,519</b>	<b>4,877,963</b>
<b>Expenses (Note 11):</b>			
General government	667,669	743,603	698,743
Transportation services	594,443	356,564	529,689
Protective services	298,454	270,844	275,610
Sewer	315,553	255,397	77,390
Water	279,906	248,747	240,643
Solid waste collection	170,821	172,000	146,699
Parks and recreation	78,793	181,918	83,145
Legislative services	82,932	102,050	87,093
Planning and environmental development	44,135	54,000	46,077
	<b>2,532,706</b>	<b>2,385,123</b>	<b>2,185,089</b>
<b>Surplus for the year</b>	<b>1,484,032</b>	<b>1,666,396</b>	<b>2,692,874</b>
<b>Accumulated surplus, beginning of year</b>	<b>33,071,204</b>	<b>33,071,204</b>	<b>30,378,330</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 34,555,236</b>	<b>\$ 34,737,600</b>	<b>\$ 33,071,204</b>

Commitments and contingencies are specified in Note 12.

See accompanying notes and schedules to the consolidated financial statements.

# District of Lantzville

## Consolidated Statement of Cash Flows

For the year ended December 31, 2010



	2010	2009
Net inflow (outflow) of cash related to the following activities:		
<b>Operating</b>		
Surplus for the year	\$ 1,484,032	\$ 2,692,874
Non-cash items included in operations:		
Amortization of tangible capital assets	582,690	466,477
Loss (gain) on the sale of tangible capital assets	14,383	(5,000)
Change in prepaid expenses	5,699	290
	602,772	461,767
Net change in non-cash working capital balances related to operations	1,027,513	(825,624)
Cash provided by operating transactions	3,114,317	2,329,017
<b>Capital</b>		
Purchase of tangible capital assets	(2,231,580)	(3,213,876)
Proceeds from sale of tangible capital assets	15,000	5,000
Cash used by capital transactions	(2,216,580)	(3,208,876)
Increase (decrease) in cash and cash equivalents	897,737	(879,859)
Cash and cash equivalents, beginning of year	4,028,077	4,907,936
Cash and cash equivalents, end of year	\$ 4,925,814	\$ 4,028,077

*See accompanying notes and schedules to the consolidated financial statements.*

# District of Lantzville

## Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2010



	2010	2010 Fin. Plan	2009
	<i>(Unaudited-Note 14)</i>		
Surplus for the year	\$ 1,484,032	1,666,396	\$ 2,692,874
Purchase of tangible capital assets	(2,231,580)	(2,735,438)	(3,213,876)
Amortization of tangible capital assets	582,690	-	466,477
Loss (Gain) on the sale of tangible capital assets	14,383	-	(5,000)
Proceeds on sale of tangible capital assets	15,000	15,000	5,000
	(135,475)	(1,054,042)	(54,525)
Acquisition of prepaid expense	(2,256)	-	(7,955)
Use of prepaid expenses	7,955	-	8,245
	5,699	-	290
Decrease in net financial assets	(129,776)	(1,054,042)	(54,235)
Net financial assets, beginning of year	4,223,180	4,223,180	4,277,415
Net financial assets, end of year	\$ 4,093,404	\$ 3,169,138	\$ 4,223,180

*See accompanying notes and schedules to the consolidated financial statements.*



# District of Lantzville

## Notes to Consolidated Financial Statements

Year ended December 31, 2010



The District of Lantzville is a municipality that was incorporated on June 25, 2003 pursuant to the issue of Letters Patent dated April 3, 2003.

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

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

### 1. Significant Accounting Policies

#### (a) Basis of Presentation:

The District follows accounting principles generally accepted for British Columbia municipalities and applies such principles consistently. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

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

#### (b) Revenue Recognition:

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transaction or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

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

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

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

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

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

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

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

# District of Lantzville

## Notes to Consolidated Financial Statements

Year ended December 31, 2010



### (c) Financial instruments:

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

### (d) Tangible Capital Assets:

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

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

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

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

### (e) Use of Estimates:

Preparation of financial statements in accordance with accounting principles generally accepted for municipalities requires management to make estimates based upon assumptions. These estimates and assumptions affect the amounts of assets and liabilities reported or disclosed as at the date of the financial statements and the reported amount of revenues and expenses during the period. Significant areas requiring the use of management estimates relate to accruals for expected employee compensated absences and provisions for contingencies. Included in the accrual for expected employee compensated absences is an estimate for sick leave which is based on methodology requiring significant judgement that could result in material error. Amortization is based on estimates of the assets' useful lives. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



## (f) Employee Future Benefits:

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

## 2. Cash and Cash Equivalents

December 31 cash balances include amounts designated for specific future capital purposes, restricted revenue (development cost charges, note 5) and various deposits (note 6), as follows:

	2010	2009
<b>Restricted cash</b>		
Statutory reserves (Note 8)	\$ 2,744,762	\$ 2,555,129
Restricted revenues - deferred revenue (Note 5)	908,785	818,613
Restricted revenues - deposits (Note 6)	16,329	13,579
	3,669,876	3,387,321
<b>Unrestricted cash</b>		
Cash available for operations	\$ 1,255,938	640,756
	\$ 4,925,814	\$ 4,028,077

Cash deposited at the Coastal Community Credit Union earns interest at the rate in the range of prime minus 1 to 2 %. Cash deposited at the Municipal Finance Authority (\$1,041,022 at December 31, 2010 (\$1,034,753 at December 31, 2009)) is invested in the MFABC Money Market Fund which earned an effective yield of .60% (2009 - 1.09%) and whose market value is equal to its cost.

## 3. Accounts Receivable

Accounts receivable comprise the following as at December 31:

	2010	2009
Other governments	\$ 266,062	\$ 1,496,219
Property and parcel taxes	218,535	138,300
User fees and other	109,184	78,380
	\$ 593,781	\$ 1,712,899

# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



## 4. Accounts Payable

Accounts payable comprise the following as at December 31:

	2010		2009	
General	\$	241,382	\$	554,020
Other governments		195,896		66,003
Salaries, wages and benefits		63,799		65,581
	\$	501,077	\$	685,604

## 5. Deferred Revenue

Deferred revenue comprise the following as at December 31:

	2009		Receipts		Interest		Revenue		2010	
Community Works (Gas Tax) Funds	\$	393,738	\$	148,398	\$	3,621	\$	(36,800)	\$	508,957
Development Cost Charges		226,179		20,396		1,616		(42,182)		206,009
Administration and inspection fees		109,442								109,442
Phase 1 sewer op. costs prepaid by residents		37,718						(2,162)		35,556
Prepaid property taxes		28,106		35,250				(28,106)		35,250
Prepaid Utility Fees		-		1,564				-		1,564
Tourism Grant		11,463						(11,463)		-
Treaty Negotiation Grant		11,322								11,322
Prepaid tax certificate accounts		645		685				(645)		685
	\$	818,613	\$	206,293	\$	5,237	\$	(121,358)	\$	908,785

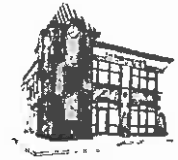
### Community Works (Gas Tax) Funds

The Community Works funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of British Columbia Municipalities. These funds may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement. During 2010, \$36,800 (2009 - \$ nil) were used to fund the Knarston Creek Overflow Project.

# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



## Development Cost Charges

Development Cost Charges are restricted revenue liabilities representing fees collected from property development. The use of these funds is restricted by legislation (*Community Charter*) and can only be used for the purposes for which they were collected, being primarily to fund new infrastructure capital works. In accordance with generally accepted accounting standards, the District records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred. Drainage DCC's were recorded as revenue to fund the Knarston Creek Overflow Project and Sewer DCC's were recorded as revenue related to the Phase 2 capital cost for a property.

	2009	Receipts	Cancelled	Interest	Revenue	2010
Water	\$ 74,503	9,424	(12,459)	588	-	\$ 72,056
Sewer	39,404	2,599	(19,784)	223	(6,182)	16,260
Drainage	47,050	25,978	(15,304)	229	(36,000)	21,953
Highway Facilities	44,852	22,544	(9,548)	375	-	58,223
Parkland	20,370	16,946	-	201	-	37,517
	<b>\$ 226,179</b>	<b>\$ 77,491</b>	<b>\$ (57,095)</b>	<b>\$ 1,616</b>	<b>\$ (42,182)</b>	<b>\$ 206,009</b>

## 6. Deposits

Deposits comprise the following as at December 31:

	2010	2009
Performance deposits	\$ 13,329	\$ 13,579
Sewer Works – Phase 2 deposits	3,000	-
	<b>\$ 16,329</b>	<b>\$ 13,579</b>

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

# District of Lantzville

## Notes to Consolidated Financial Statements

Year ended December 31, 2010



### 7. Tangible Capital Assets (Schedule A)

	2010	2009
Land	\$ 8,752,199	\$ 8,752,199
Land improvements	67,313	74,864
Buildings	1,242,331	1,271,462
Vehicles	603,463	658,590
Equipment	263,969	255,817
Infrastructure:		
Roads	7,807,348	7,019,645
Sewer	7,658,515	4,132,704
Water	4,052,166	3,872,383
Assets under construction	12,272	2,802,405
	<b>\$ 30,459,576</b>	<b>\$ 28,840,069</b>

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

### 8. Accumulated Surplus

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

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

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

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

	2010	2009
Operating Fund	\$ 1,350,898	\$ 1,676,006
Statutory Reserve Funds (Schedule B)	2,744,762	2,555,129
Equity in Tangible Assets	30,459,576	28,840,069
	<b>\$ 34,555,236</b>	<b>\$ 33,071,204</b>

# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



## Operating Funds

	General	Water	Sewer	Total
Opening balance	\$ 1,811,164	\$ 691,694	\$ (826,852)	\$ 1,676,006
Surplus for the year	563,015	127,738	793,279	1,484,032
Transfers to Capital Funds	(722,019)	(176,009)	(721,479)	(1,619,507)
Transfer to Reserve Funds	(499,085)	(149,066)	(86,142)	(734,293)
Transfers from Reserve Funds	273,906	270,754	-	544,660
<b>Closing balance</b>	<b>\$ 1,426,981</b>	<b>\$ 765,111</b>	<b>\$ (841,194)</b>	<b>\$ 1,350,898</b>

## Equity in Tangible Capital Assets:

	2010	2009
Opening balance	\$ 28,840,069	\$ 26,092,670
Add: Purchases of tangible capital assets	2,231,580	3,213,876
Less: Proceeds on disposal	(15,000)	(5,000)
Gain (loss) on disposal	(14,383)	5,000
Less: Amortization	(582,690)	(466,477)
	<b>\$ 30,459,576</b>	<b>\$ 28,840,069</b>

## 9. Taxation

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

	2010	2009
Property taxes collected	\$ 4,250,348	\$ 4,249,683
Less transfers to other governments:		
School District	1,835,270	1,895,637
School District - policing	167,170	154,306
Regional Hospital District	174,608	174,459
Regional District of Nanaimo	501,249	487,265
BC Assessment	50,345	50,810
Municipal Finance Authority	147	153
Vancouver Island Regional Library	132,195	128,336
	<b>2,860,984</b>	<b>2,890,966</b>
	<b>\$ 1,389,364</b>	<b>\$ 1,358,717</b>

# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



## 10. Government Grants and Transfers

	2010	2009
Operating transfers from provincial government:		
Strategic Communities Investment Fund Grant	\$ 124,221	\$ 782,348
Other	17,896	18,577
	142,117	800,925
Capital transfers:		
Canada/B.C. Infrastructure Grant	664,118	1,723,039
BC Towns for Tomorrow Grant	400,000	-
Community Works (Federal Gas and Public Transit) Funds	36,800	-
	\$ 1,243,035	\$ 2,523,964

## 11. Expenditure by Object and Segment

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

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

The segments included in the schedule are as follows:

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

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

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

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

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

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

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

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

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



# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



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

## 12. Commitments and Contingencies

### (a) Municipal Pension Contingency

The District and its employees contribute to the Municipal Pension Plan (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 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 government.

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 unfunded liability to individual employers. The District paid \$37,751 (2009 - \$34,753) for employer contributions to the plan in fiscal 2010.

### (b) Municipal Insurance Contingency

The District is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of premiums received, it is possible that the District, along with other participants, would be required to contribute towards the deficit.

## 13. Comparative Figures

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

# District of Lantzville

Notes to Consolidated Financial Statements

Year ended December 31, 2010



## 14. Financial Plan Figures

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

	2010
Consolidated surplus, per "District of Lantzville Financial Plan Bylaw No. 81, 2010, Amendment Bylaw No. 81.2, 2010"	\$ 265
Add:	
Capital expenditures	2,735,438
Transfers to statutory reserves	653,348
Internal debt repayment	59,683
Less:	
Transfers from statutory reserves	(613,044)
Recovery from prior year surplus	(1,169,294)
Consolidated surplus, per "2010 Financial Plan" for Consolidated Statement of Operations	\$ 1,666,396

# District of Lantzville

Consolidated Schedule of Tangible Capital Assets

For the year ended December 31, 2010

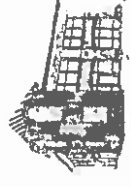


	Infrastructure									
	Land	Land Improvements	Buildings	Vehicles	Equipment	Roads	Sewer	Water	Under Construction	2010 Total
<b>Historical Cost:</b>										
Opening Balance	8,752,199	308,598	1,849,496	1,438,725	344,782	8,613,277	4,224,876	5,059,113	2,802,405	33,393,471
Additions			18,864		50,154	1,090,170	3,581,998	280,527	791,863	5,813,576
Disposals				(126,486)	(247)	(29,221)		(37,544)	(3,581,996)	(3,775,494)
Closing Balance, Dec. 31	8,752,199	308,598	1,868,360	1,312,239	394,689	9,674,226	7,806,874	5,302,096	12,272	35,431,553
<b>Accumulated Amortization:</b>										
Opening Balance	-	233,734	578,034	780,135	88,965	1,593,632	92,172	1,186,730	-	4,553,402
Amortization Expense		7,551	47,995	45,127	42,002	285,905	56,187	97,923	-	582,690
Disposals				(116,486)	(247)	(12,659)		(34,723)		(164,115)
Closing Balance, Dec. 31	-	241,285	626,029	708,776	130,720	1,866,878	148,359	1,249,930	-	4,971,977
<b>Net book value</b>	<b>\$ 8,752,199</b>	<b>\$ 67,313</b>	<b>\$ 1,242,331</b>	<b>\$ 603,463</b>	<b>\$ 263,969</b>	<b>\$ 7,807,348</b>	<b>\$ 7,658,515</b>	<b>\$ 4,052,166</b>	<b>\$ 12,272</b>	<b>\$ 30,459,576</b>
										<b>\$ 28,840,069</b>

# District of Lantzville

Consolidated Schedule of Statutory Reserve Fund Activities

For the year ended December 31, 2010



	Asset Replacement					Park Acquisition	2010 Total	2010 Financial Plan (Unaudited- Note 14)	2009		
	Capital Works	Fire Truck	Development	Asset Replacement							
				Waterworks	Water Fund						
Opening balance	\$ 1,185,340	\$ 432,956	\$ 87,865	\$ 178,047	\$ 34,478	\$ 43,932	\$ 518,346	\$ 74,165	\$ 2,555,129	\$ 2,555,129	\$ 2,287,824
Transfers in	309,123	66,825	76,800	29,800	-	26,000	136,500	8,300	653,348	653,348	574,608
Loan repayment	59,683	-	-	-	-	-	-	-	59,683	59,683	61,167
Interest earned	9,931	3,757	1,017	1,554	278	459	3,635	631	21,262		14,424
Transfers out	(273,906)	-	-	-	-	-	(270,754)	-	(544,660)	(613,044)	(382,894)
Closing balance	\$ 1,290,171	\$ 503,538	\$ 165,682	\$ 209,401	\$ 34,756	\$ 70,391	\$ 387,727	\$ 83,096	\$ 2,744,762	\$ 2,655,116	\$ 2,555,129

# District of Lantzville

Consolidated Schedule of Segment Disclosures

For the year ended December 31, 2010



	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks and Recreation	Sewer	Water	Reserve	2010 Consolidated	2010 Fin. Plan
<b>REVENUE</b>											
Taxation	1,389,364	-	-	-	-	-	-	0	-	1,389,364	1,387,935
Government grants and transfers	576,797	-	1,280	-	-	840	664,118	-	-	1,243,035	1,428,400
Utility taxes and fees	-	-	-	172,941	-	-	476,091	512,933	-	1,161,965	1,020,625
Services and fees	36,739	-	19,116	2,154	17,700	-	564	6,321	-	82,594	61,985
Grants in lieu of taxes	71,774	-	-	-	-	-	-	-	-	71,774	71,574
Interest	20,440	-	-	-	-	-	-	-	21,262	41,702	30,000
Development Cost Charges	36,000	-	-	-	-	-	-	-	-	36,000	36,000
Other	(9,721)	-	25	-	-	-	-	-	-	(9,696)	15,000
	2,121,393	-	20,421	175,095	17,700	840	1,140,773	519,254	21,262	4,016,738	4,051,519
<b>EXPENSES</b>											
Audit and Legal	39,395	-	-	-	-	-	-	-	-	43,995	55,300
Consulting	16,215	-	-	-	-	-	2,300	2,300	-	16,215	72,500
Contracted Services	27,255	2,349	56,205	170,821	44,135	3,749	-	-	-	304,514	330,564
Insurance	26,367	1,417	5,429	-	-	165	2,000	16,165	-	51,543	64,800
Legislative	4,452	-	-	-	-	-	-	-	-	4,452	13,850
Materials and Supplies	23,774	29,047	26,586	-	-	1,963	742	21,155	-	103,266	171,650
Salaries, Wages and Benefits	506,967	90,606	56,288	-	-	45,215	39,538	81,402	-	820,016	849,679
Training, Travel and Conferences	25,707	6,700	24,562	-	-	-	-	-	-	56,970	76,525
Telephone and Utilities	14,306	54,996	10,548	-	-	-	2,213	19,097	-	101,160	104,600
Other	28,977	111,573	37,336	-	-	21,261	210,648	38,090	-	447,885	645,655
	713,415	296,687	216,955	170,821	44,135	72,353	257,441	178,209	-	1,950,016	2,385,123
<b>Amortization</b>											
	37,186	297,756	81,499	-	-	6,440	58,112	101,697	-	582,690	-
	750,601	594,443	298,454	170,821	44,135	78,793	315,553	279,906	-	2,532,706	2,385,123
<b>Surplus (Deficit)</b>	1,370,792	(594,443)	(278,033)	4,275	(26,435)	(77,953)	825,220	239,348	21,262	1,484,032	1,666,396

# District of Lantzville

Consolidated Schedule of Segment Disclosures

For the year ended December 31, 2009



	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks and Recreation	Sewer	Water	Reserve	2009 Consolidated	2009 Fin. Plan
<b>REVENUE</b>											
Taxation	1,358,717	-	-	-	-	-	-	-	-	1,358,717	1,356,160
Government grants and transfers	800,925	-	-	-	-	-	1,723,039	-	-	2,523,964	3,895,948
Utility taxes and fees	-	-	-	154,538	-	-	119,380	515,982	-	789,900	759,302
Services and fees	34,120	-	18,536	2,757	11,300	2,500	437	6,086	-	75,736	73,750
Grants in lieu of taxes	69,486	-	-	-	-	-	-	-	-	69,486	69,000
Interest	35,193	-	-	-	-	-	-	-	-	49,617	90,000
Other	8,012	-	-	-	-	2,531	-	-	14,424	10,543	-
	2,306,453	-	18,536	157,295	11,300	5,031	1,842,856	522,067	14,424	4,877,963	6,244,160
<b>EXPENSES</b>											
Audit and Legal	36,709	-	-	-	-	-	3,176	2,000	-	41,885	56,500
Consulting	50,595	-	-	-	-	-	-	-	-	50,595	45,000
Contracted Services	21,740	-	57,215	146,699	46,077	4,126	-	-	-	275,858	320,561
Debt Service	-	-	-	-	-	-	-	-	-	-	65,500
Insurance	27,351	1,619	6,268	-	-	102	2,000	16,019	-	53,359	67,200
Legislative	11,262	-	-	-	-	-	-	-	-	11,262	21,000
Materials and Supplies	17,552	20,207	24,678	-	-	1,628	211	23,387	-	87,663	172,100
Salaries, Wages and Benefits	507,437	127,692	53,640	-	-	39,720	9,567	34,663	-	772,718	806,916
Training, Travel and Conferences	29,871	7,203	20,107	-	-	-	-	-	-	57,180	73,650
Telephone and Utilities	14,111	51,300	11,150	-	-	-	427	23,431	-	100,419	116,400
Other	32,757	116,359	29,563	-	-	31,427	13,728	43,841	-	267,674	413,451
	749,385	324,378	202,621	146,699	46,077	77,003	29,110	143,341	-	1,718,615	2,158,278
<b>Amortization</b>											
	36,451	205,311	72,989	-	-	6,142	48,280	97,302	-	466,475	-
	785,836	529,689	275,610	146,699	46,077	83,145	77,390	240,643	-	2,185,089	2,158,278
<b>Surplus (Deficit)</b>	1,520,617	(529,689)	(257,074)	10,596	(34,777)	(78,113)	1,765,466	281,424	14,424	2,692,874	4,085,882