



# **2018 Annual Report**

**For the year ended  
December 31, 2018**

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## **District of Lantzville**

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**British Columbia  
Canada**



# District of Lantzville

**British Columbia**

## 2018 Annual Report

Fiscal year ended December 31, 2018



This Annual Report has been prepared by the Finance Department

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**[www.lantzville.ca](http://www.lantzville.ca)**



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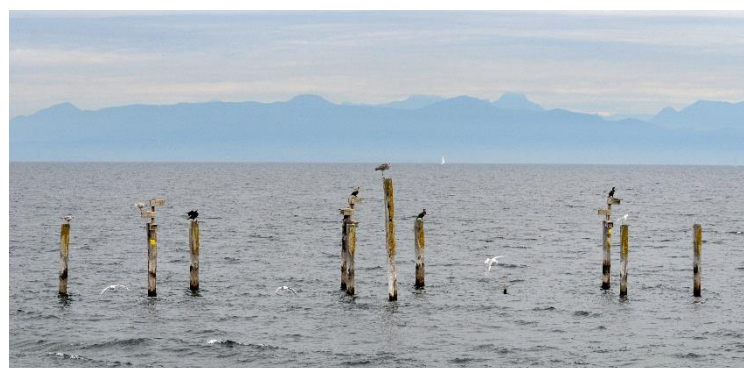
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# INTRODUCTORY INFORMATION



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# MESSAGE FROM THE MAYOR



On behalf of Council, I am pleased to present the 2018 Annual Report for the District of Lantzville. This report contains valuable information related to the District's operations, including the 2018 financial statements, 2018 accomplishments, and 2019 objectives aimed to help achieve Council's 2019-2023 strategic goals. Thank you for taking the time to discover our beautiful seaside community in these pages and learn more about what's happening now and in the future.

During 2018 we saw the completion of many capital projects including the Huddlestone Park Playground upgrade, Seaview Parking lot upgrade, the Lantzville Road Culvert replacement, a water main replacement at Metro & Mart Road, and road improvements from Elm to Phantom.

During the year, Lantzville had one of the largest parkland acquisitions in BC since 2009, preserving a large recreational park space in the Foothills. In October 2018, the Municipal Election took place and the Inaugural Council meeting was held on November 5, 2018. In January 2019, Council completed a strategic planning process and has identified priorities and objectives for the upcoming term.

In 2018, design work was initiated on the Sanitary Sewer Phase III project. The District was the recipient of \$4,373,332 funding under the New Building Canada Fund – Small Communities Fund (NBCF-SCF) for Sanitary Sewer Phase III, with funding coming equally between the provincial and federal government and the District of Lantzville. The District will borrow for its portion through the Municipal Finance Authority of BC and recover these costs by way of a 20-year parcel tax on benefiting properties.

The District has a busy year ahead. In 2019, the focus will be on the highest priority strategic objectives set by Council, which include:

- Village core revitalization
- Providing water to residents
- Corporate maintenance including staffing for 2019 and subsequent years
- Financial planning including policies around new growth funding and reserve funds
- Improved communications and planning with the Snaw-Naw-As, Nanoose First Nation
- Community planning including adoption of the Official Community Plan
- Updates to the Zoning bylaw
- Service delivery including revision of bylaws



Council maintains a commitment to the District of Lantzville's Mission statement and Council Values.

Mission Statement:

***"Provide efficient, effective and environmentally and economically sustainable services and good governance for the public while managing growth of the community and respecting Lantzville's diverse character and charm."***

Council Values:

*"Act in a professional manner at all times, having respect for:*

- the public,*
- staff,*
- Council members,*
- the roles of Council, staff and the public,*
- the decision-making process, and*
- carry out adequate research and thoughtfully consider the issues before us, while serving and representing all of our community."*

On behalf of the District of Lantzville Council, we are honoured to serve the people of Lantzville and we are excited about the progress being made. We appreciate all the contributions that residents undertake to make the community better, and we look forward to further improvements that will benefit the community for years to come.

It is an honour and privilege to serve as your Mayor.

Sincerely,



Mark Swain  
Mayor  
District of Lantzville





# DISTRICT OF LANTZVILLE

## 2018 OFFICIALS

### MAYOR

Mark Swain

### COUNCILLORS

|                  |               |
|------------------|---------------|
| Will Geselbracht | Karen Proctor |
| Ian Savage       | Jamie Wilson  |

### MANAGEMENT

|                                      |                        |
|--------------------------------------|------------------------|
| Chief Administrative Officer         | Ronald Campbell, CLGM  |
| Director of Financial Services       | Jamie Slater, CPA, CA  |
| Director of Corporate Administration | Trudy Coates           |
| Director of Public Works             | Fred Spears            |
| Director of Planning                 | Kyle Young, M.SEM, RPP |
| Fire Chief                           | Neil Rukus             |

### AUDITORS

Grant Thornton LLP

### PRIMARY BANKERS

Coastal Community Credit Union

### PRIMARY SOLICITORS

Murdy & McAllister

# DISTRICT OF LANTZVILLE

## 2018 ELECTED OFFICIALS

The Municipal Council is Lantzville's governing body. Lantzville's Municipal Council is comprised of a Mayor and four Councillors. Your 5-member Council is serving a term expiring in October 2022. Under the *Community Charter*, their role is to provide good government; services its citizens need and want; stewardship for its public assets; and a positive economic, social and environmental climate. Council is responsible to set budgets, levy taxes, adopt bylaws, establish policies and make decisions that guide the growth, development and operation of the District of Lantzville. District staff are responsible for day-to-day operations, implementing Council decisions and policies, and providing advice to elected officials.

Council usually holds two meetings each month, which are open to the public. Meeting agendas and schedules are available from the Municipal Hall or on the District's website at [www.lantzville.ca](http://www.lantzville.ca).



From left to right: Councillor Ian Savage, Councillor Karen Proctor, Mayor Mark Swain, Councillor Jamie Wilson, Councillor Will Geselbracht

# DISTRICT OF LANTZVILLE ORGANIZATIONAL STRUCTURE

**Citizens of Lantzville**

**Mayor & Councillors**

**Chief Administrative Officer/  
Subdivision Approving Officer**

Ronald Campbell, CLGM

**Director of Financial  
Services**

Jamie Slater, CPA, CA

**Director of Corporate  
Administration**

Trudy Coates

**Director of Public Works**

Fred Spears

**Director of Planning**

Kyle Young, M.SEM, RPP

**Fire Chief**

Neil Rukus



# REPORT FROM THE DIRECTOR OF FINANCIAL SERVICES



## District of Lantzville

Incorporated June 2003

June 1, 2019

Mayor and Council  
District of Lantzville

Your Worship and Members of Council,

I am pleased to present the District of Lantzville's 2018 Annual Financial Report for the fiscal year ended December 31, 2018.

This report, as required by Section 98 of the *Community Charter*, includes the audited 2018 financial statements, performance objectives, and supplementary information for the District of Lantzville.

The financial statements for the year ended December 31, 2018 were prepared by District staff in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

The District maintains a system of internal accounting controls designed to safeguard the assets of the District and to provide reliable financial information. We confirm and test these systems on an annual basis through contracted audit services.

The audit firm Grant Thornton LLP was appointed by Council and is responsible for expressing an opinion as to whether the consolidated financial statements fairly present the financial position of the District of Lantzville and the results of its 2018 operations.

The 2018 audited financial statements were presented and approved by Council on May 6, 2019. At that meeting, Grant Thornton LLP also presented the results of the audit.

As at December 31, 2018, the District had an accumulated surplus of \$39.2 million, an increase of \$0.6 million for the year. Accumulated surplus is largely comprised of net investments in tangible capital assets (\$34 million), which includes land, park infrastructure, buildings, roads, and utility assets. The

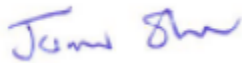


District currently holds no debenture debt. During 2018, a payment was made from the general fund accumulated surplus account for \$1.33 million to secure water connections and supply from the City of Nanaimo. The Sewer accumulated deficit increased as borrowing has not taken place for the Sewer Phase 3 project yet, and the District portion of these costs has been internally financed until borrowing occurs. Borrowing will be initiated when construction of the project commences.

Cash holdings have increased because of a new high-interest savings account that will provide liquidity, flexibility, and return on investment. District financial assets are invested according to the requirements outlined in the Community Charter, with guarantees and safety of the funds being the highest priority.

The District of Lantzville continues to remain in a strong financial position with all liabilities being fully funded by current cash and investment holdings. The 2019 year will bring more focus on asset management and reserve fund contributions to ensure long term financial stability for the District's infrastructure.

Respectfully,



Jamie Slater, CPA, CA  
Director of Financial Services



# CANADIAN AWARD FOR FINANCIAL REPORTING



Government Finance Officers Association

## **Canadian Award for Financial Reporting**

Presented to  
**District of Lantzville  
British Columbia**

For its Annual  
Financial Report  
for the Year Ended

**December 31, 2017**

*Christopher P. Morrill*

Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District of Lantzville for its annual financial report for the fiscal year ended December 31, 2017. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards'. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are (will be) submitting it to GFOA to determine its eligibility for another award.

# STRATEGIC PRIORITIES FOR 2016-2018

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, strategic projects and planned capital expenditure projects to provide the necessary infrastructure for the proposed services. As a result of a by-election that was held in 2015, a revised Strategic Plan for 2016-2018 was developed and is reflected within this report.

## Strategic Priorities

Council recognizes the importance of planning for the future and 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, as identified at its strategic planning sessions held in December 2015 are as follows:

### **Branding:**

- *Define a Community identity*



### **Communication, Engagement, and Transparency:**

- *Develop supportive policies*

### **Economic Development Strategy:**

- *Develop long term sustainable economic growth map*

**First Nations Relationship Building:**

- *Establish working relations with neighbouring community*

**Official Community Plan:**

- *Develop a new Official Community Plan (OCP)*

**Village Core Plan:**

- *Review, revise, incorporate into OCP and implement the plan*

**Water Master Plan:**

- *Create a community wide Water Master Plan*

**Water Agreement:**

- *Revise, propose, and submit to the City of Nanaimo*

**Service Capacity Review:**

- *Review service capacity of the Municipality*

**Policy Review:**

- *Review all District policies*





# SUMMARY OF MUNICIPAL SERVICES AND OPERATIONS FOR 2018

## General Government

- Administration
- Corporate Administration
- Financial Services

## Protective Services

- Fire Suppression
- Fire Prevention
- Rescue

## Community Planning

- Development Planning
- Land Development
- Subdivision Approval

## Public Works

- Transportation Services (roads and drainage)
- Waterworks
- Sewer Collection
- Parks and Trails

In 2018, the District of Lantzville continued to contract engineering and some public works services. The following services are contracted from the Regional District of Nanaimo:

- Building Inspection
- Emergency Management
- Bylaw Enforcement
- Animal control
- GIS, mapping

The contracting of these services is reviewed on an annual basis to ensure best value for service.



# DEPARTMENTAL REPORTS

## General Government

### ADMINISTRATION

The Chief Administrative Officer (CAO) is responsible for the overall management of the operations of the municipality, as well as implementation of specific Council policies, objectives and directions. The current CAO also holds the positions of Statutory Approving Officer and Deputy Director of Corporate Administration, and Deputy Director of Financial Services.

Duties of the CAO office include:

- Ensuring that the policies, programs and other directions of Council are implemented
- Advising and informing Council on the operation and affairs of the municipality
- Being a support for Mayor and Councillors in providing clear, factual, non-biased information so that Council can make good decisions on matters within the control and purview of the Council
- Providing support and direction to senior staff in the day to day operations of the municipality
- Supporting Council's strategic objectives
- Fostering both a positive work environment and displaying a commitment to community

In addition to the management staff, the District has three staff at the Municipal Hall who assist with financial services and general government administration.



#### Progress on 2018 Objectives:

**Completion of the Economic Development Strategic Plan and Branding Process:** *Complete.* The community-developed Economic Development Strategy was approved by Council at their September 17, 2018 meeting. On December 10, 2018, Council approved the Terms of Reference for the Economic Development and Sustainability Committee.

**Implementation of the new phone system:** *Complete.* In Fall 2018, the new corporate phone system was installed with a computer integrated and direct in dial phone system.

**Completion of the OCP Rewrite:** *Ongoing.* Finalizing a review process that started in 2018, in Fall 2018 and early 2019, Council reviewed and made changes to the draft Official Community Plan (OCP) and gave the bylaw first two readings. There is a planned public hearing in June 2019 for the new Official Community Plan (OCP) Bylaw.

**Finalize the Service Capacity Review process and submit the final confidential report to Council:** *Complete.* In early 2018 the Service Capacity Review was completed and presented to Council. Numerous recommendations included in the review were implemented during 2018.

**Strengthen Relationships with Snaw-Naw-As (Nanoose) First Nation:** *Ongoing.* After the inaugural Council meeting in November 2018, invitations for a Council to Council meeting were initiated with the first meeting taking place in early 2019.

### Objectives for 2019:

Council has set forth a list of objectives for 2019, including but not limited to:

- Continued focus on providing water to all residents in Lantzville
- Strengthen relationships with Snaw-Naw-As (Nanoose) First Nation and hold joint District of Lantzville / Snaw-Naw-As First Nation meetings to discuss potential projects
- Creation of a Village Core Improvement Fund to provide funding for Village Core enhancement projects
- Completion of a Village Core Streetscape Design
- Staffing Incrementation for 2019

### Performance Measures

- Degree of implementation of the above initiatives and projects
- Number of meetings held with the Snaw-Naw-As (Nanoose) First Nation
- Planning and design documents completed and progress made towards Village Core Improvements
- Health of the organization as a whole and staffing capacity to handle work volume
- Community consultation, participation and outreach





# DEPARTMENTAL REPORTS

## General Government

### CORPORATE ADMINISTRATION

The Director of Corporate Administration is responsible for:

- statutory duties of the corporate officer per section 148 of the *Community Charter*, including keeping the corporate seal and accepting service of notices and documents on behalf of the corporation, and acting as the Signing Officer
- receiving and distributing correspondence, including referrals to Council and/or staff
- developing the agenda for Council and committee meetings, ensuring accurate minutes of Council and committees are prepared and actions are tracked
- preparing reports, bylaws, and policies for the Chief Administrative Officer (CAO) and Council's consideration, and conducting research assignments and special projects
- providing procedural advice and administrative support to Council, committees and the CAO
- the records management system including maintaining and safeguarding minutes, bylaws and other records, and providing public access to records
- communications such as the community newsletter, website, and publications, including publishing notices and advertisements, and assisting with special events and public relations
- administering oaths and taking affirmations, affidavits and declarations, and certifying copies of bylaws and other documents
- organizing and conducting the District's elections and referenda





In addition to the above, the Director of Corporate Administration continues to: act as the Freedom of Information and Protection of Privacy Coordinator, Secretary to the Board of Variance, and Acting CAO when required; provide assistance with Human Resources functions; and liaise with the public, elected officials, advisory bodies, Provincial ministries, and other local governments.

### Progress on 2018 Objectives:

**Conduct 2018 General Local Election:** *Complete.* The 2018 general local election was completed in October 2018 in compliance with legislation.

**On-Board New Council and coordinate new Council Orientation:** *Complete.* The new Council Briefing session took place in November 2018; in addition to Council Orientation, educational sessions were held in conjunction with local municipalities and government entities.

**Implement Electronic Agenda Process:** *Complete.* Council meeting agendas are now created and distributed in PDF format. Council has been provided with iPads to be able to view and organize the electronic agendas.

**Update bylaw index, consolidate bylaws, review bylaws and provide recommendations:** *Ongoing.* Numerous bylaws were reviewed and added to the bylaw index during 2018.

**Update policy index, review policies and provide recommendations:** *Ongoing.* Numerous policies were reviewed and added to the policy index during 2018.

**Maintain improved corporate communications consistent with District policies on communication, engagement and transparency:** *Ongoing.* District website content updated and new program information added. Increased communication of new programs being promoted through advertisements, newsletters, Constant Contact emails and social media.

**Update Website:** *Ongoing.* Website updates were administered in 2018 with finalization of the new website design to occur in 2019.

**Transition acting as Parks and Recreation Commission and Minetown Day staff liaison/support to Community Planner and complete projects in progress.** *Complete.*

**Recruiting and preparing for management interns.** *Complete.* Management interns confirmed for 2019.



### Objectives for 2019:

- Completion of website update
- Revision of Municipal Ticket Information (MTI) and Council Procedure bylaws
- Assist with new bylaws e.g. Fire Protection Services and Good Neighbour bylaws
- Continue streamlining of electronic agenda process
- Update bylaw index, consolidate bylaws, review bylaws and provide recommendations
- Update policy index, review policies and provide recommendations
- Maintain improved corporate communications consistent with District policies on communication, engagement and transparency
- Orient and support Committees created by Council including the Parks and Trails and Economic Development and Sustainability Committees

### Performance measures:

- Increased communications, including completion of website update
- Adopted Municipal Ticket Information (MTI) Bylaw
- Reduced paper due to electronic agenda
- Adoption of updated or new bylaws and policies, and consolidation of more bylaws



# DEPARTMENTAL REPORTS

## General Government

### FINANCIAL SERVICES

The Director of Financial Services is responsible for:

- statutory duties of the financial officer per section 149 of the *Community Charter*, including the following:
  - (a) receiving all money paid to the municipality;
  - (b) ensuring the keeping of all funds and securities of the municipality;
  - (c) investing municipal funds, until required, in authorized investments;
  - (d) expending municipal money in the manner authorized by the council;
  - (e) ensuring that accurate records and full accounts of the financial affairs of the municipality are prepared, maintained and kept safe;
  - (f) exercising control and supervision over all other financial affairs of the municipality.
- Preparing the 5-year financial plan
- Preparing the annual financial statements and other financial reporting
- Act as the District's Collector
- Assume the duties and responsibilities of Acting Chief Administrative Officer as required

#### Progress on 2018 Objectives:

**Commence Temporary Borrowing for Sanitary Sewer Phase 3:** *Complete.* Borrowing through the Municipal Finance Authority (MFA) has been authorized. Borrowing will happen when construction of Sewer Phase 3 commences.

#### Objectives for 2019:

- **Asset Management Policy:** Creation of an updated Asset Management Policy to be approved by Council
- **Strategic Asset Management Plan:** Creation of a Strategic Asset Management Plan to be approved by Council





- **Surplus Policy or Bylaw:** Establishment of guidelines through bylaw or policy surrounding the use of General Accumulated Surplus
- **New Growth Funding:** Discussion on new-growth taxation revenues and their best use
- **Long-Term Financial Planning:** Commence drafting a long-term financial plan to address asset management funding gaps

Performance measures:

- Council review and approval of an updated Asset Management Policy
- Council review and approval of a Strategic Asset Management Plan
- Creation of a bylaw or policy to guide the use of General Accumulated Surplus
- Establishment of a policy to outline the allocation of new-growth taxation revenues
- Increased reserve fund contributions in areas that have been identified as under-funded





# DEPARTMENTAL REPORTS

## Protective Services

### FIRE SUPPRESSION, PREVENTION, AND RESCUE

The Fire Chief is responsible for:

- Overall fire safety of the municipality
- Training and education for fire personnel
- Ensuring budgets and operations are managed responsibly
- Maintaining certifications and accreditations of fire personnel
- Fire inspections
- Public education on fire safety

In addition to the above, Protective Services is working to establish up-to-date financial and administrative procedures, and maintaining a positive, sound relationship with the community.

#### Progress on objectives for 2018:

**New Fire Truck:** In April 2018, Council authorized the purchase of a Freightliner Urban Interface Fire Truck. This new truck was designed to be used not only for tendering water to emergency scenes but has multiple uses. Its primary use is to move water in non-hydrant serviced areas, but it will also be set up to fight urban interface fires. This truck will be a more versatile piece of equipment for the Department. As Lantzville is an area with a large amount of forest land around the community with interface potential, it is important to have a unit that can have multiple uses. The new truck named 'Tender 4' was ordered and built during 2018, with delivery in early 2019.



## *Protective Services continued...*

**Complete review of administrative procedures:** Review and update the operational guidelines for compliance with the Provincial legislative requirements.

**Playbook Fire Service Level:** Lay the framework for certifying the firefighters in 2019 to the National Fire Protection Association (NFPA) 1001 training.

**Community Relationships:** Meet with community groups to promote fire safety and review agreements with mutual aid partners.

### Objectives for 2019:

- **Emergency evacuation route plan:** In consultation with the Regional District of Nanaimo Emergency Management Team, create plan for an emergency evacuation route.
- **Firefighter Exterior Certification:** Certify all firefighters with the National Fire Protection Association (NFPA) 1001 – Firefighter 1 standard.
- **Fire Department building upgrade:** Oversee the completion of the kitchen and office renovation for the upstairs of the fire department.
- **Community Wildfire plan:** Create a community wildfire plan which will identify hazards and the mitigation of those hazards.



### Performance measures:

- Completed documentation and route plans for emergency evacuations in place
- Firefighter training certification for NFPA 1001 – Firefighter 1
- Completion of building upgrade as per desired specifications
- Completed documentation of wildfire plan addressing needs of the community

# DEPARTMENTAL REPORTS

## Community Planning

### DEVELOPMENT PLANNING

The primary role of the Planning Department is to provide the District with a planning program to promote the orderly and sustainable development of the community by adhering to the District's Official Community Plan, Zoning and Subdivision Bylaws.

#### Progress on 2018 Objectives:

**Land Use and Development Applications:** In 2018, a total of 10 new land use and development applications were received, including 1 development variance permit application, 5 development permit applications and 3 zoning bylaw amendment applications.  
Proposed new Learning Clinic for 7170 Lantzville Road:



**Council adoption of a new Official Community Plan.** *Ongoing.* The draft OCP was referred to external agencies for review and comment, which was compiled and brought back to Council in the Fall of 2018.

**Commencing a review of the Zoning Bylaw to ensure consistency with the new OCP.** *Ongoing.* Initial research completed.



**Objectives for 2019:**

- Council adoption of a new Official Community Plan
- Council adoption of a new Zoning Bylaw
- Complete Phased Development Agreement for Foothills
- Completion of the Lantzville Road Streetscape Concept Design



**Performance Measures:**

- Council approval of OCP
- Council approval of Zoning Bylaw
- Council approval of the PDA for the Foothills
- Council approval of the Lantzville Road Streetscape Concept Design
- Applicant satisfaction with process
- Developer satisfaction with process



# DEPARTMENTAL REPORTS

## Community Planning

### LAND DEVELOPMENT AND SUBDIVISION APPROVAL

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.

#### Progress on 2018 Objectives:

**Subdivision applications/approvals are done in a timely manner:** *Ongoing.* There were 10 subdivision applications received in 2018, including 8 applications for Preliminary Subdivision Review and 2 applications for Subdivision Approval. The 8 applications for Preliminary Subdivision Review would result in 320 new lots. A portion of Phase 1 of the Foothills development was completed, resulting in 95 new lots.

#### Objectives for 2019:

- Subdivision applications/approvals are done in a timely manner.
- Subdivision applications/approvals are given subject to legislation requirements and that adhere to the 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:

- Subdivision applications/approvals are processed in a timely manner
- Subdivisions are developed to the standards pursuant to District bylaws



# DEPARTMENTAL REPORTS

## Engineering, Public Works & Parks

### OVERVIEW

The District has three full-time employees in this department, which ensure the safe and efficient operation of the District's waterworks, sanitary sewer collection systems, storm drainage systems, parks, municipal buildings, signage and other related facilities and equipment. In addition, a casual on-call employee provides services on an as-needed basis.



### Engineering services

Engineering services continued to be contracted to Koers & Associates Engineering Ltd in 2018.

### Transportation services (roads and drainage)

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







### Waterworks

The District supplies and distributes water for household use, commercial and fire suppression purposes to approximately 1000 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.

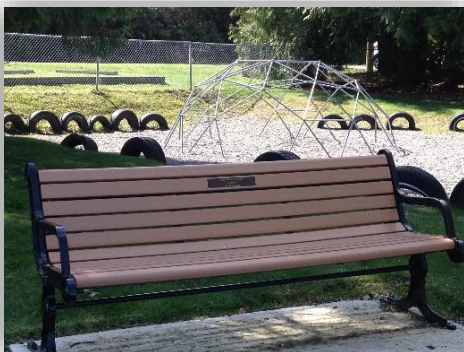
### Sewer Collection

The District provides sewer collection services for approximately 460 properties. The District is responsible for maintaining and improving the District-owned equipment and infrastructure related to this system within federal and provincial regulations.



### Parks and Recreation

The District maintains various parks, playgrounds, and road ends within the District.





Progress on 2018 Objectives:

**Complete Replacement of Huddlestone Park Playground Equipment:** *Completed*  
The playground equipment was replaced in October of 2018



**Complete a Water Master Plan:** *Completed*

The District completed the Water Master Plan in early 2018. All works were completed within budget.

**Complete Replacing Asphalt on a portion of Aulds Road:** *Completed*

The replacement of a portion of Aulds Road was tendered and awarded in October 2018 and completed October 2018.

**Complete a watermain replacement project on Peterson Road:** *Completed*

The watermain replacement project was completed in November 2018 within budget.



**Complete a replacement of the Storm Drainage Pipe under Rumming Road:** *Carry Forward*

The work for the Rumming Road culvert replacement has not been completed. Engineering and survey work was completed, and a preliminary design started. A landslide occurred in the area where the Ministry of Transportation took over the site and rerouted the water flow around the Rumming Road culvert. The District and the Ministry of Transportation and Infrastructure are trying to define boundaries.

**Complete an asphalt replacement project for Peterson Road:** *Carried Forward*

The Asphalt replacement of Peterson Road must follow the replacement of the watermain along Peterson Road. As the watermain was not completed until November of 2018, the asphalt was carried forward to 2019.

**Complete a Mountain Bike Skills Park:** *Completed*

Mountain Bike Skills Park was completed in early 2018 within budget.

**Objectives for 2019:**

- Complete a closure plan for the Storm Drainage Pipe under Rumming Road
- Complete an asphalt replacement project for Peterson Road
- Rehabilitate District of Lantzville Water Well 5
- Complete construction of a Water Reservoir
- Begin construction of the Phase III Sanitary Sewer Installation Project
- Replace Flat Roof on Costin Hall
- RFP for Roads Contract
- Update SCADA System
- Replace Playground Equipment at Copley Park



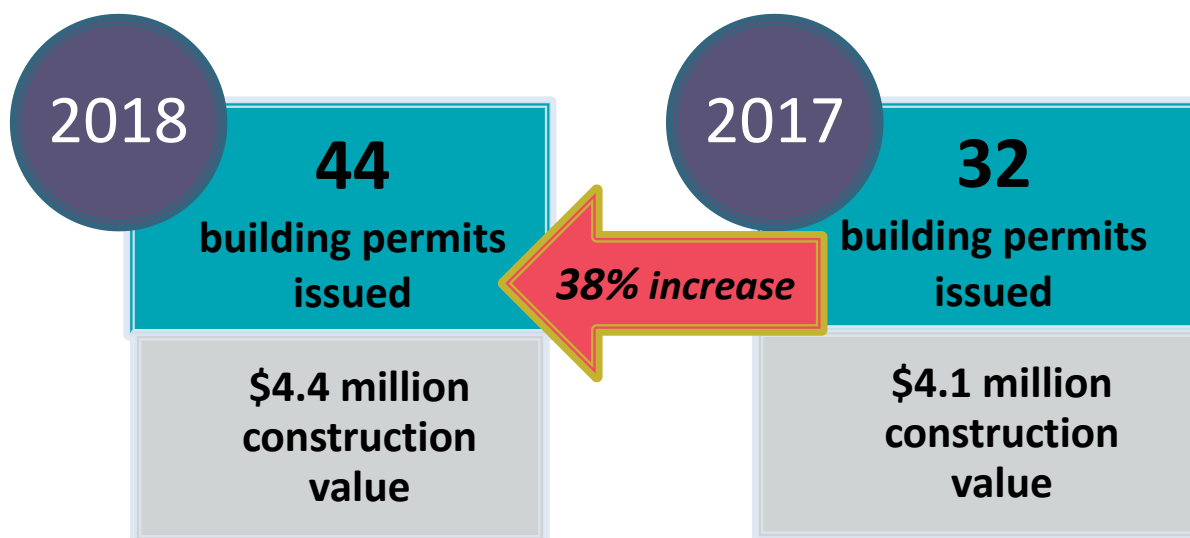
**Performance Measures:**

- Completion of capital and operating projects within the 2019 Financial Plan parameters
- Increase in wellfield capacity
- Increase of Fire Flow capacity
- Decrease number of complaints from residents
- Increase in Pedestrian Safety
- Increase in efficiencies for Water and Sewer Operations

# DEPARTMENTAL REPORTS

## 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.



Note: For the 2018 permits issued, only 7 permits were for new single-family dwellings.

### Progress on 2018 Objectives:

**Building permit applications/approvals:** *Ongoing.* Building permits continue to be issued on a timely basis in accordance with regulatory and legislative requirements including District bylaws.

**Building permits are issued subject to meeting B.C. Building Code requirements, District bylaws, and other regulations as applicable:** *Ongoing.* Building permits were issued in consultation with District staff and in accordance with B.C. Building Code requirements, District bylaws, and other regulations.

### Objectives for 2019:

- Building permit applications/approvals and inspections are done in a timely manner.
- Building permits are issued subject to meeting B.C. Building Code requirements, District bylaws, and other regulations as applicable.

### Performance Measures:

- The timely manner in which applications/approvals are processed.

# DEPARTMENTAL REPORTS

## Emergency Management

The District has contracted with the Regional District of Nanaimo (RDN) for the provision of emergency preparedness, response and recovery services. This contractual arrangement has the RDN providing the District of Lantzville with an Emergency Program Coordinator (EPC) on a permanent basis.

### Progress on 2018 Objectives:

- EPC's continuing attendance at conferences/workshops and participation in the Mid-Island Emergency Program Coordinators Committee, Regional Community Recovery Working group (focus on recovery/resilience in the community), and BC Association of Emergency Managers.
- Ongoing recruitment, orientation and training of local ESS volunteers for operational readiness.
- Coordinate and provide ongoing support to ESS volunteers during responses.
- Ongoing establishment of Neighbourhood Emergency Preparedness (NEP) groups and participation in public education and preparedness.
- Coordinate continuing emergency response training and exercises for District staff as needed.
- Coordinate emergency response training for elected officials.
- Participate in Emergency Preparedness Week in May 2018.
- Continue community communications and presentations regarding emergency preparedness.
- Apply for and manage Emergency Preparedness Grants.
- Inventory all Emergency Operation Center and ESS supplies and materials, and replace as required.



### Objectives for 2019:

- 2018 Objectives will be the 2019 objectives but subject to new opportunities or challenges.
- Update or add Agreements for Reception Centre and ESS Suppliers
- Complete Emergency Resource Contact lists
- Completion of Evacuation Route Planning



### Performance Measures:

- Education and training that facilitates EPC, staff and Council competencies to effectively respond to & recover from an emergency or disaster
- Retention, recruitment and active engagement of NEPP groups and ESS volunteers
- Emergency Response Centre is operational
- EOC supplies are current and emergency communications capacity is sufficient

# DEPARTMENTAL REPORTS

## Bylaw Enforcement

The District has a contractual arrangement with the Regional District of Nanaimo to provide bylaw enforcement services to Lantzville residents. Bylaw enforcement officers investigate complaints from residents relating to such matters as dangerous dogs, noise, and land use matters. The District's policy when dealing with enforcement issues is complaint driven with a strong focus on seeking voluntary compliance whenever possible.



### Progress on 2018 Objectives:

- Review, adopt, rescind, and amend current bylaws as developed by staff: *Ongoing.*
- Complete current compliance-based enforcement case files: *Completed.*

### Objectives for 2019:

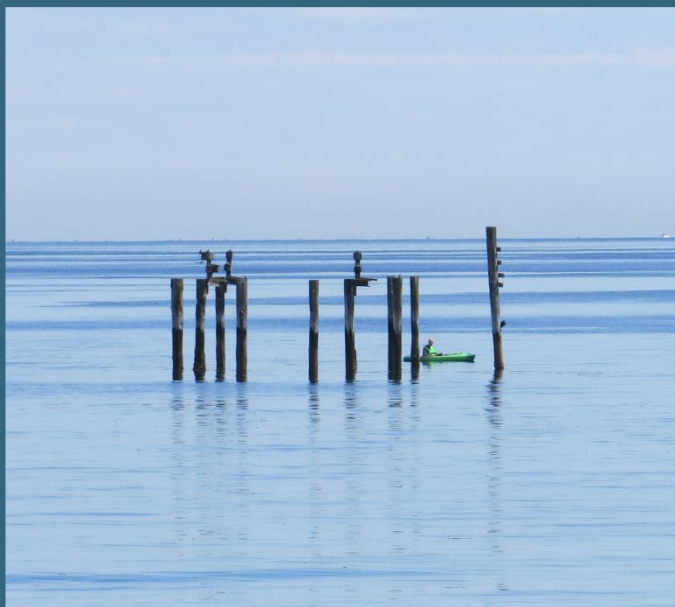
- Complete new compliance-based enforcement case files.
- Respond to and investigate complaints in a timely manner.

### Performance Measures:

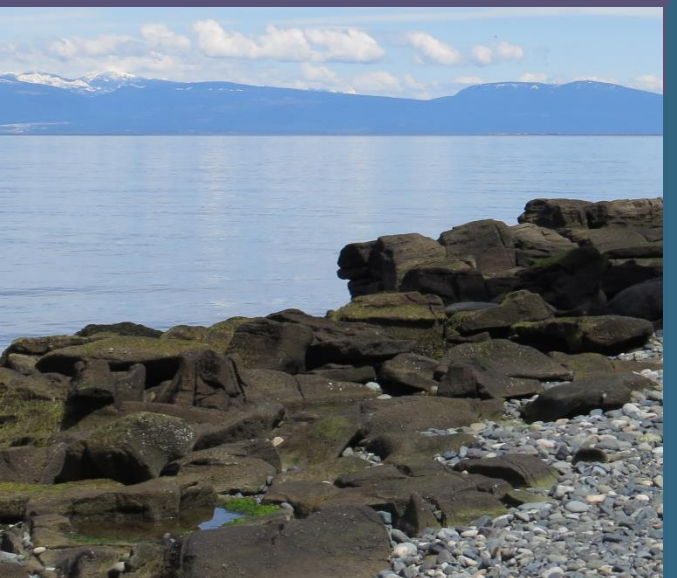
- Number of bylaw enforcement files closed
- Number of contraventions resolved on a voluntary basis







# FINANCIAL SECTION



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# DISTRICT OF LANTZVILLE

## STATEMENT OF RESPONSIBILITY

The accompanying financial statements of the District of Lantzville (the “District”) are the responsibility of the District’s management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in the notes to the financial statements. The preparation of financial statements involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

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

The financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the District. The accompanying Independent Auditors’ Report outlines their responsibilities, the scope of their examination and their opinion on the District’s financial statements. 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 financial statements are free of material misstatement and present fairly the financial position and results of the District in accordance with Canadian public sector accounting standards.



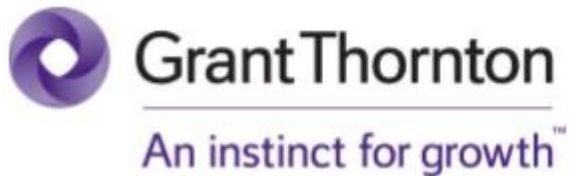
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Ronald Campbell, CLGM  
Chief Administrative Officer  
May 6, 2019





# AUDITOR'S REPORT



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## Independent auditor's report

To the Mayor and Councillors of the District of Lantzville

### Opinion

We have audited the financial statements of the District of Lantzville ("the District"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, change in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District of Lantzville as at December 31, 2018, and the results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.





### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Duncan, Canada  
May 6, 2019

A stylized, handwritten-style signature of "Grant Thornton LLP" in black ink.

Chartered Professional Accountants



**ANNUAL FINANCIAL  
STATEMENTS 2018**

## District of Lantzville

### STATEMENT OF FINANCIAL POSITION

As at December 31, 2018 with comparative information for 2017



|   | 2018                 | 2017                 |
|---|----------------------|----------------------|
| <b>Financial assets:</b>                        |                      |                      |
| Cash (Note 3)                                   | \$ 3,641,362         | \$ 499,206           |
| Investments (Note 3)                            | 8,256,293            | 10,184,388           |
| Taxes receivable                                | 112,519              | 130,953              |
| Accounts receivable                             | 472,249              | 243,613              |
| Inventories for resale                          | 520                  | 720                  |
|   | 12,482,943           | 11,058,880           |
| <b>Liabilities:</b>                             |                      |                      |
| Accounts payable and accrued liabilities        | 1,097,032            | 388,770              |
| Deposits  | 1,127,290            | 30,252               |
| Deferred revenue (Note 4)                       | 4,850,381            | 3,682,798            |
| Prepaid property taxes                          | 176,007              | 139,115              |
| Employee future benefits obligations (Note 5)   | 82,805               | 95,129               |
|   | 7,333,515            | 4,336,064            |
| <b>Net financial assets</b>                     | <b>5,149,428</b>     | <b>6,722,816</b>     |
| <b>Non-financial assets:</b>                    |                      |                      |
| Tangible capital assets (Note 6 and Schedule A) | 34,002,076           | 31,836,720           |
| Inventory of supplies                           | 19,614               | 17,119               |
| Prepaid expenses                                | 24,671               | 42,612               |
|   | 34,046,361           | 31,896,451           |
| <b>Accumulated surplus (Note 7)</b>             | <b>\$ 39,195,789</b> | <b>\$ 38,619,267</b> |

Commitments and contingent liabilities (Note 11)

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

Approved by:

Jamie Slater, CPA, CA

Director of Financial Services

## District of Lantzville

### STATEMENT OF OPERATIONS

As at December 31, 2018 with comparative information for 2017



|   | Financial Plan       | 2018                 | 2017                 |
|---|----------------------|----------------------|----------------------|
| <b>Revenue:</b>                               |                      |                      |                      |
| Taxation, net (Note 8)                        | \$ 2,522,581         | \$ 2,459,513         | \$ 2,432,617         |
| Sales of services                             | 720,545              | 708,569              | 725,010              |
| Grants and government transfers (Note 9)      | 3,636,088            | 747,111              | 672,180              |
| Investment income                             | 60,600               | 204,192              | 155,401              |
| Penalties and fines                           | 34,000               | 26,884               | 36,064               |
| Development charges earned                    | 116,570              | 9,182                | 1,377                |
| Contributions from developers and others      | 500,000              | 2,260                | 7,582                |
| Other revenue from own sources                | 163,200              | 479,834              | 150,726              |
| <b>Total revenues</b>                         | <b>7,753,584</b>     | <b>4,637,545</b>     | <b>4,180,957</b>     |
| <b>Expenses: (Note 10 and Schedules C)</b>    |                      |                      |                      |
| General government services                   | 1,374,791            | 1,377,640            | 1,287,678            |
| Transportation services                       | 730,950              | 883,338              | 1,153,505            |
| Protective services                           | 481,515              | 477,625              | 500,620              |
| Solid waste collection                        | 191,700              | 192,338              | 187,320              |
| Recreation and cultural services              | 362,554              | 369,100              | 330,616              |
| Community development services                | 121,520              | 120,289              | 107,144              |
| Sewer   | 349,453              | 275,949              | 263,377              |
| Water   | 428,332              | 364,744              | 408,817              |
| <b>Total expenses</b>                         | <b>4,040,815</b>     | <b>4,061,023</b>     | <b>4,239,077</b>     |
| <b>Annual surplus (deficit)</b>               | <b>3,712,769</b>     | <b>576,522</b>       | <b>(58,120)</b>      |
| <b>Accumulated surplus, beginning of year</b> | <b>38,619,267</b>    | <b>38,619,267</b>    | <b>38,677,387</b>    |
| <b>Accumulated surplus, end of year</b>       | <b>\$ 42,332,036</b> | <b>\$ 39,195,789</b> | <b>\$ 38,619,267</b> |

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



## District of Lantzville

### STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

As at December 31, 2018 with comparative information for 2017



|  | Financial Plan | 2018         | 2017         |
|--|----------------|--------------|--------------|
| <b>Annual surplus (deficit)</b>                      | \$ 3,712,769   | \$ 576,522   | \$ (58,120)  |
| Acquisition of tangible capital assets               | (7,221,437)    | (2,918,080)  | (881,425)    |
| Amortization of tangible capital assets              | 731,000        | 747,478      | 771,283      |
| Loss on the disposal of tangible capital assets      | -              | 5,246        | 261,197      |
|  | (2,777,668)    | (1,588,834)  | 92,935       |
| Acquisition and consumption of inventory of supplies | -              | (2,495)      | (7,571)      |
| Acquisition and consumption of prepaid expenses      | -              | 17,941       | 2,477        |
|  | -              | 15,446       | (5,094)      |
| <b>Change in net financial assets</b>                | (2,777,668)    | (1,573,388)  | 87,841       |
| <b>Net financial assets at beginning of year</b>     | 6,722,816      | 6,722,816    | 6,634,975    |
| <b>Net financial assets at end of year</b>           | \$ 3,945,148   | \$ 5,149,428 | \$ 6,722,816 |

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

## District of Lantzville

### STATEMENT OF CASH FLOWS

As at December 31, 2018 with comparative information for 2017



|  | 2018                | 2017               |
|--|---------------------|--------------------|
| Cash provided by (used in):                                    |                     |                    |
| <b>Operating transactions:</b>                                 |                     |                    |
| Annual surplus (deficit)                                       | \$ 576,522          | \$ (58,120)        |
| Items not involving cash:                                      |                     |                    |
| Amortization of tangible capital assets                        | 747,478             | 771,283            |
| Loss on the disposal and write-down of tangible capital assets | 5,246               | 261,197            |
| Changes in non-cash operating assets and liabilities:          |                     |                    |
| Accounts receivable  | (228,636)           | (49,412)           |
| Inventories for resale   | 200                 | 573                |
| Taxes receivable   | 18,434              | 19,644             |
| Accounts payable and accrued liabilities                       | 708,262             | (188,496)          |
| Deposits   | 1,097,038           | 11,602             |
| Deferred revenue   | 1,167,583           | 1,931,393          |
| Prepaid property taxes   | 36,892              | 52,155             |
| Employee future benefit obligations                            | (12,324)            | 26,277             |
| Inventory of supplies  | (2,495)             | (7,571)            |
| Prepaid expenses   | 17,941              | 2,477              |
| Cash provided by operating transactions                        | 4,132,141           | 2,773,002          |
| <b>Financing transactions:</b>                                 |                     |                    |
| Investments  | 1,928,095           | (3,076,877)        |
| <b>Capital transactions:</b>                                   |                     |                    |
| Acquisition of tangible capital assets                         | (2,918,080)         | (881,425)          |
| Cash used in capital transactions                              | (2,918,080)         | (881,425)          |
| <b>Increase (decrease) in cash and cash equivalents</b>        | <b>3,142,156</b>    | <b>(1,185,300)</b> |
| <b>Cash and cash equivalents, beginning of year</b>            | <b>499,206</b>      | <b>1,684,506</b>   |
| <b>Cash and cash equivalents, end of year</b>                  | <b>\$ 3,641,362</b> | <b>\$ 499,206</b>  |

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

The District of Lantzville is a municipality that was incorporated on June 25, 2003 pursuant to the issue of Letters Patent dated April 3, 2003. The District operates under the provisions of the *Local Government Act* and *Community Charter* of British Columbia. The District's principal activities include the provision of local government and services to residents of the incorporated area. These services include government, fire protection, solid waste collection, parks and recreation, planning and development, and water and sewer services.

### 1. Significant Accounting Policies:

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

#### (a) Reporting Entity:

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

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

#### (b) Basis of Accounting:

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

#### (c) Revenue Recognition:

- i. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- ii. Sales of services and user fee revenues are recognized when the service or product is rendered by the District and the amounts are received or become receivable.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 1. Significant Accounting Policies: (continued)

- iii. Unrestricted government transfers are recognized as revenue in the year in which the transfer is authorized by the issuing government, and when any eligibility criteria has been met. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which the stipulations are met.
- iv. Revenue unearned in the current period is recorded as deferred revenue.
- v. Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and included in deferred revenue.

#### (d) Deferred Revenue:

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

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

#### (e) Cash and Investments:

Cash and investments consist of cash on deposit in qualifying institutions as defined in the *Community Charter*. Investments are recorded at cost plus amounts reinvested.

#### (f) Employee Future Benefits Payable:

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

Sick leave and other retirement benefits are also available to the District's employees. The costs of these benefits are estimated based on the actual service and current salary and wage. The obligations under



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 1. Significant Accounting Policies: (continued)

these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

#### (g) Deposits:

Receipts restricted by third parties are deferred and reported as deposits and are refundable under certain circumstances. Deposits that are prepayments are recognized as revenue when qualifying expenditures are incurred.

#### (h) 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 business. 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.

##### i. Tangible Capital Assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

| Asset                | Useful Life - Years |
|----------------------|---------------------|
| Land                 | Indefinite          |
| Land Improvements    | 10 – 50             |
| Buildings            | 15 – 80             |
| Equipment            | 5 – 10              |
| Roads Infrastructure | 10 – 75             |
| Vehicles             | 10 – 25             |
| Sewer Infrastructure | 10 – 100            |
| Water Infrastructure | 10 – 100            |

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 1. Significant Accounting Policies: (continued)

Amortization is calculated monthly, commencing the month the asset is put in service, and ending the month prior to disposal. Assets under construction are not amortized until the asset is available for productive use.

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

#### ii. Contributions of Tangible Capital Assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

#### iii. Works of Art, and Historical Treasures:

The District manages and controls various works of art and non-operational historical cultural assets. These assets are not recorded as tangible capital assets and are not amortized due to the subjectivity of their value.

#### iv. Interest Capitalization:

The District capitalizes interest costs associated with the acquisition or construction of a tangible capital asset.

#### v. Leased Tangible Capital Assets:

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

#### vi. Inventory of Supplies:

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 1. Significant Accounting Policies: (continued)

#### (i) Use of Estimates:

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

#### (j) Comparative Figures:

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

### 2. Financial Instruments:

The District's financial instruments consist of cash and investments, accounts receivable, taxes receivable, accounts payable and accrued liabilities, and deposits. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest or credit risks arising from these financial instruments.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 3. Cash and Investments:

Cash and investments are comprised of cash on hand, cash on deposit at financial institutions and investments held in the Municipal Finance Authority of British Columbia investment funds.

|             | 2018                 | 2017                |
|-------------|----------------------|---------------------|
| Cash        | \$ 3,641,362         | \$ 499,206          |
| Investments | 8,256,293            | 10,184,388          |
|             | <b>\$ 11,897,655</b> | <b>\$10,683,594</b> |

Cash deposited at the Coastal Credit Union earns interest at a rate in the range of prime minus 1 to 2%. Investments consist of short-term investments in the Municipal Finance Authority of BC money market fund and bond funds as well as Guaranteed Investment Certificates with various financial institutions. Investments have yields ranging from 2.00% to 2.70%

Included in cash and cash equivalents and investments are the following restricted amounts:

|   | 2018                | 2017                |
|---|---------------------|---------------------|
| Statutory reserves                                | \$ 3,953,811        | \$ 4,009,857        |
| Restricted investments – development cost charges | 1,505,571           | 401,550             |
|   | <b>\$ 5,459,382</b> | <b>\$ 4,411,407</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 4. Deferred Revenue:

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

|                                 | 2018                | 2017                |
|---------------------------------|---------------------|---------------------|
| Community Works (Gas Tax) Funds | \$ 1,584,676        | \$ 1,393,378        |
| Development Cost Charges        | 1,505,571           | 401,550             |
| Other Deferred Revenue          | 1,760,134           | 1,887,870           |
|                                 | <b>\$ 4,850,381</b> | <b>\$ 3,682,798</b> |

#### Community Works (Gas Tax) Funds

The Community Works funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of British Columbia Municipalities. These funds may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.

#### Development Cost Charges

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

|                    | 2017              | Receipts            | Interest        | Eligible Expense | 2018                |
|--------------------|-------------------|---------------------|-----------------|------------------|---------------------|
| Water              | \$ 126,316        | \$ 377,671          | \$ 2,906        | \$ 9,182         | \$ 497,711          |
| Sewer              | 62,647            | 150,738             | 1,441           | -                | 214,826             |
| Drainage           | 82,418            | 231,443             | 1,896           | -                | 315,757             |
| Highway Facilities | 51,483            | 191,605             | 1,184           | -                | 244,272             |
| Parkland           | 78,686            | 152,509             | 1,810           | -                | 233,005             |
|                    | <b>\$ 401,550</b> | <b>\$ 1,103,966</b> | <b>\$ 9,237</b> | <b>\$ 9,182</b>  | <b>\$ 1,505,571</b> |

Development cost charges in the amount of \$2,361 for Drainage, \$1,935 for Roads and \$1,540 for Parkland were refunded to a payee in 2018.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 5. Employee Future Benefit Obligations:

Employee benefit obligations represent accrued benefits as follows:

|                    | 2018             | 2017             |
|--------------------|------------------|------------------|
| Vacation payable   | \$ 15,768        | \$ 29,297        |
| Accrued sick leave | 67,037           | 65,832           |
|                    | <b>\$ 82,805</b> | <b>\$ 95,129</b> |

Accrued vacation is the amount of vacation entitlement carried forward into the next year. Employee benefit obligations also include accumulated sick leave banks that may be drawn down in future years. The sick leave benefits obligation was calculated based on 50% of the balance of the employee's sick time bank at year end. These sick leave entitlements may only be used while employed by the District and are paid out on retirement under certain conditions.

### Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of the benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local government.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of the unfunded actuarial liability.

The most recent actuarial valuation of the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$91,757 (2017 - \$78,917) for employer contributions, while employees contributed \$81,712 (2017 - \$74,294) to the Plan in fiscal 2018.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 5. Employee Future Benefit Obligations: (continued)

The next valuation will be at December 31, 2018 with results available in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

### 6. Tangible Capital Assets (Schedule A):

(a) Assets under construction:

Assets under construction having a value of \$617,764 (2017 - \$128,149) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$nil (2017 - \$nil)

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the asset has been recognized at a nominal value.

(d) Write-down of tangible capital assets:

Tangible capital assets having a value of \$1 (2017 - \$1) have been written down during the year.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 7. Accumulated Surplus:

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

|                                      | 2018                 | 2017                |
|--------------------------------------|----------------------|---------------------|
| Equity in Tangible Capital Assets    | \$ 34,002,076        | \$31,836,720        |
| Unrestricted General Fund Surplus    | 830,965              | 2,395,155           |
| Unrestricted Sewer Fund Deficit      | (366,656)            | (300,342)           |
| Unrestricted Water Fund Surplus      | 775,593              | 677,878             |
| Statutory Reserve Funds (Schedule B) | 3,953,811            | 4,009,856           |
|                                      | <b>\$ 39,195,789</b> | <b>\$38,619,267</b> |

Reserve funds are comprised of the statutory reserve funds shown in Schedule B.

### 8. Net Taxes Available for Municipal Purposes:

The District is required to collect taxes on behalf of, and transfer these amounts to, other government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

|  | 2018                | 2017                |
|--|---------------------|---------------------|
| Taxes:                                     |                     |                     |
| Property / parcel taxes                    | \$ 5,440,605        | \$ 5,274,361        |
| Payments in lieu of taxes                  | 20,523              | 16,983              |
| 1% utility taxes                           | 54,023              | 50,705              |
|  | 5,515,151           | 5,342,049           |
| Less taxes levied for other authorities:   |                     |                     |
| School District                            | 1,911,079           | 1,820,677           |
| School District - policing                 | 231,256             | 210,111             |
| Regional Hospital District                 | 185,525             | 177,904             |
| Regional District of Nanaimo               | 683,089             | 659,683             |
| BC Assessment Authority                    | 44,479              | 40,879              |
| Municipal Finance Authority                | 210                 | 178                 |
|  | 3,055,638           | 2,909,432           |
| Net taxes available for municipal purposes | <b>\$ 2,459,513</b> | <b>\$ 2,432,617</b> |

Net taxes available for municipal purposes includes \$189,527 for the Vancouver Island Regional Library (2017 - \$178,117).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 9. Grants and Government Transfers

|   | 2018              | 2017              |
|---|-------------------|-------------------|
| Operating transfers from provincial government:   |                   |                   |
| Strategic Communities Investment Fund Grant       | \$ 437,778        | \$ 436,130        |
| Other   | 51,299            | 15,369            |
| Capital transfers from provincial government:     |                   |                   |
| New Building Canada Fund – Small Communities Fund | 86,800            | 16,312            |
| Capital transfers from federal government:        |                   |                   |
| New Building Canada Fund – Small Communities Fund | 86,799            | 16,312            |
| Federal Gas Tax                                   | 55,000            | 177,157           |
| Other contributions                               | 29,435            | 10,900            |
|   | <b>\$ 747,111</b> | <b>\$ 672,180</b> |

### 10. Expense by Object and Segment

The District's operations and activities are organized and reported by Fund. These Funds include General, Water, and Sewer. The District's expenses by object are reported in Schedule C – Schedule of Segment Disclosures. The following are the activities/services provided by each of the segments reported on:

#### GENERAL FUND

##### General Government

General government services includes all administrative aspects of the District including corporate administration, finance, human resources and legislated services to the residents of the District.

##### Transportation Services

Transportation services is comprised of annual maintenance of all municipally owned roads, storm drainage, sidewalks, street signs, street lighting, traffic signals and transportation vehicle fleet used to provide services to the District.

##### Protective Services

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



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 10. Expense by Object and Segment: (continued)

#### **Solid Waste Collection**

Solid waste management includes fees related to residential solid waste curbside collection services.

#### **Community Development Services**

Community development services includes land use planning, subdivision, development, and mapping.

#### **Recreation and Cultural Services**

Recreation and Cultural Services is comprised of services meant to improve the health and development of citizens of Lantzville. This segment includes maintenance and development of all parks and green spaces within the District as well as the District's financial contribution to the services provided by the Vancouver Island Regional Library.

#### **SEWER FUND**

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

#### **WATER FUND**

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

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2018 with comparative information for 2017

### 11. Commitments and Contingencies:

- (a) The Nanaimo Regional District ("RDN") debt, under provisions of the Local Government Act, is a direct, joint and several liability of the RDN and each member municipality within the RDN, including the District.
- (b) The District is a defendant in various lawsuits. The District records an accrual in respect to legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The District is insured through membership in the Municipal Insurance Association ("MIA") of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the MIA pay out claims in excess of premiums received, it is possible that the District, along with other participants, would be required to contribute towards the deficit.
- (c) On April 9, 2018, Council authorized the purchase of a Freightliner Urban Interface Fire Truck from Fort Garry Fire Trucks Ltd. for \$410,335.37 net of GST. A final payment and the balance in the amount of \$286,081.84 net of GST is payable upon delivery in early 2019.
- (d) The District also has \$9,755 (2017 - \$0) in open purchase orders at year end which have not been recorded in the financial statements. These amounts will be recorded in the period that the goods and services, to which they relate, are received.

# District of Lantzville



## SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2018

|                           |              |                   |              |              |            | Infrastructure |              |              |                           |               |               |
|---------------------------|--------------|-------------------|--------------|--------------|------------|----------------|--------------|--------------|---------------------------|---------------|---------------|
|                           | Land         | Land Improvements | Buildings    | Vehicles     | Equipment  | Roads          | Sewer        | Water        | Assets Under Construction | 2018          | 2017          |
| HISTORICAL COST:          |              |                   |              |              |            |                |              |              |                           |               |               |
| Opening Balance           | \$ 8,799,199 | \$ 1,093,930      | \$ 1,997,298 | \$ 1,875,637 | \$ 433,598 | \$ 11,836,486  | \$ 8,501,781 | \$ 6,700,581 | \$ 128,149                | \$ 41,366,659 | \$ 40,911,329 |
| Additions                 | -            | 30,884            | -            | -            | 27,211     | 394,384        | -            | 1,965,242    | 500,359                   | 2,918,080     | 1,145,759     |
| Disposal                  | -            | -                 | -            | -            | (17,924)   | (21,583)       | -            | (46,279)     | -                         | (85,786)      | (690,429)     |
| Transfers                 | -            | -                 | -            | -            | -          | -              | -            | 10,744       | (10,744)                  | -             | -             |
| Closing Balance, Dec 31   | 8,799,199    | 1,124,814         | 1,997,298    | 1,875,637    | 442,885    | 12,209,287     | 8,501,781    | 8,630,288    | 617,764                   | 44,198,953    | 41,366,659    |
| ACCUMULATED AMORTIZATION: |              |                   |              |              |            |                |              |              |                           |               |               |
| Opening Balance           | -            | 409,472           | 959,906      | 1,026,831    | 265,850    | 4,069,364      | 916,942      | 1,881,574    | -                         | 9,529,939     | 8,923,554     |
| Additions                 | -            | 26,655            | 50,867       | 61,119       | 46,019     | 336,156        | 105,800      | 120,862      | -                         | 747,478       | 771,283       |
| Disposal                  | -            | -                 | -            | -            | (17,924)   | (16,711)       | -            | (45,905)     | -                         | (80,540)      | (164,898)     |
| Closing Balance, Dec 31   | -            | 436,127           | 1,010,773    | 1,087,950    | 293,945    | 4,388,809      | 1,022,742    | 1,956,531    | -                         | 10,196,877    | 9,529,939     |
| NET BOOK VALUE            | \$ 8,799,199 | \$ 688,687        | \$ 986,525   | \$ 787,687   | \$ 148,940 | \$ 7,820,478   | \$ 7,479,039 | \$ 6,673,757 | \$ 617,764                | \$ 34,002,076 | \$ 31,836,720 |

Schedule A



# District of Lantzville



## SCHEDULE OF STATUTORY RESERVE FUNDS

For the year ended December 31, 2018

|                 | Winter Road<br>Maintenance | Capital<br>Works | Asset<br>Replacement | Fire<br>Truck | Park<br>Development | Park<br>Acquisition | Asset<br>Replacement | Asset<br>Replacement | 2018<br>Total | 2018<br>Financial Plan | 2017         |
|-----------------|----------------------------|------------------|----------------------|---------------|---------------------|---------------------|----------------------|----------------------|---------------|------------------------|--------------|
|                 | GENERAL FUND               |                  |                      |               |                     |                     | SEWER FUND           | WATER FUND           |               |                        |              |
| Opening balance | \$ 5,420                   | \$ 1,948,307     | \$ 681,700           | \$ 336,819    | \$ 264,887          | \$ 37,352           | \$ 278,727           | \$ 456,645           | \$ 4,009,857  | \$ 3,696,588           | \$ 3,696,588 |
| Transfers in    | 5,100                      | 637,193          | 49,400               | 102,000       | -                   | -                   | 40,800               | 236,300              | 1,070,793     | 922,300                | 899,083      |
| Interest earned | 125                        | 48,124           | 15,684               | 7,749         | 6,094               | 859                 | 6,413                | 10,506               | 95,554        | 58,390                 | 68,730       |
| Transfers out   | -                          | (463,761)        | (34,209)             | (120,692)     | (23,748)            | -                   | -                    | (579,983)            | (1,222,393)   | (2,410,867)            | (654,544)    |
| Closing balance | \$ 10,645                  | \$ 2,169,863     | \$ 712,575           | \$ 325,876    | \$ 247,233          | \$ 38,211           | \$ 325,940           | \$ 123,468           | \$ 3,953,811  | \$ 2,266,411           | \$ 4,009,857 |

Schedule B

# District of Lantzville



## SCHEDULE OF STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2018

|  | General<br>Government<br>Services | Transportation<br>Services | Protective<br>Services | Solid Waste<br>Collection | Recreation<br>and Cultural<br>Services | Community<br>Development<br>Services | Sewer             | Water             | 2018              | 2018<br>Financial<br>Plan |
|--|-----------------------------------|----------------------------|------------------------|---------------------------|--|--------------------------------------|-------------------|-------------------|-------------------|---------------------------|
| <b>REVENUE</b>                           |                                   |                            |                        |                           |  |                                      |                   |                   |                   |                           |
| Taxation                                 | \$ 779,445                        | \$ 499,778                 | \$ 270,232             | \$ -                      | \$ 398,358                             | \$ 68,057                            | \$ 117,003        | \$ 326,640        | \$ 2,459,513      | \$ 2,522,581              |
| Sales and services                       | -                                 | -                          | -                      | 191,663                   | -                                      | -                                    | 194,746           | 322,160           | 708,569           | 720,545                   |
| Grants and government transfers          | 518,512                           | -                          | -                      | -                         | -                                      | -                                    | 173,599           | 55,000            | 747,111           | 3,636,088                 |
| Investment income                        | 178,338                           | -                          | -                      | -                         | -                                      | -                                    | 12,245            | 13,609            | 204,192           | 60,600                    |
| Penalties and fines                      | 19,379                            | -                          | -                      | -                         | -                                      | -                                    | 2,909             | 4,596             | 26,884            | 34,000                    |
| Development charges earned               | -                                 | -                          | -                      | -                         | -                                      | -                                    | -                 | 9,182             | 9,182             | 116,570                   |
| Contributions from developers and others | -                                 | -                          | -                      | -                         | 2,260                                  | -                                    | -                 | -                 | 2,260             | 500,000                   |
| Other revenue from own sources           | 242,036                           | -                          | 22,851                 | -                         | 22,950                                 | 153,030                              | -                 | 38,967            | 479,834           | 163,200                   |
|  | 1,737,710                         | 499,778                    | 293,083                | 191,663                   | 423,568                                | 221,087                              | 500,502           | 770,154           | 4,637,545         | 7,753,584                 |
| <b>EXPENSES</b>                          |                                   |                            |                        |                           |  |                                      |                   |                   |                   |                           |
| Salaries, wages and benefits             | 740,884                           | 83,428                     | 175,886                | -                         | 98,387                                 | 105,054                              | 34,911            | 135,438           | 1,373,988         | 1,422,043                 |
| Materials and supplies                   | 134,364                           | 164,438                    | 77,902                 | 4,971                     | 26,724                                 | -                                    | 19,752            | 42,661            | 470,812           | 466,530                   |
| Contracted services                      | 331,234                           | 66,634                     | 106,932                | 187,367                   | 7,915                                  | -                                    | 72,973            | 15,279            | 788,334           | 733,272                   |
| Other                                    | 113,397                           | 218,006                    | 37,043                 | -                         | 207,564                                | 15,235                               | 40,588            | 48,578            | 680,411           | 687,970                   |
| Amortization                             | 57,761                            | 350,832                    | 79,862                 | -                         | 28,510                                 | -                                    | 107,725           | 122,788           | 747,478           | 731,000                   |
|  | 1,377,640                         | 883,338                    | 477,625                | 192,338                   | 369,100                                | 120,289                              | 275,949           | 364,744           | 4,061,023         | 4,040,815                 |
| <b>SURPLUS / (DEFICIT)</b>               | <b>\$ 360,070</b>                 | <b>\$ (383,560)</b>        | <b>\$ (184,542)</b>    | <b>\$ (675)</b>           | <b>\$ 54,468</b>                       | <b>\$ 100,798</b>                    | <b>\$ 224,553</b> | <b>\$ 405,410</b> | <b>\$ 576,522</b> | <b>\$ 3,712,769</b>       |

Schedule C – 2018

# District of Lantzville

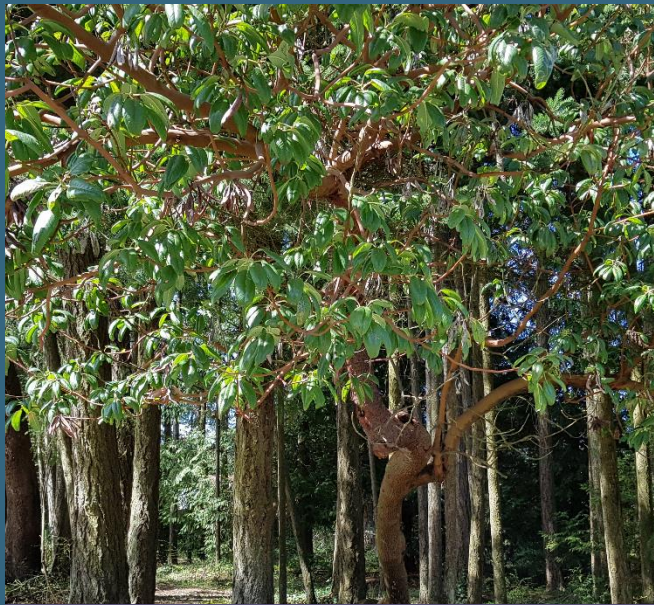


## SCHEDULE OF STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2017

|  | General<br>Government<br>Services | Transportation<br>Services | Protective<br>Services | Solid Waste<br>Collection | Recreation<br>and Cultural<br>Services | Community<br>Development<br>Services | Sewer             | Water             | 2017               | 2017<br>Financial<br>Plan |
|--|-----------------------------------|----------------------------|------------------------|---------------------------|--|--------------------------------------|-------------------|-------------------|--------------------|---------------------------|
| <b>REVENUE</b>                           |                                   |                            |                        |                           |  |                                      |                   |                   |                    |                           |
| Taxation                                 | \$ 662,727                        | \$ 593,673                 | \$ 257,653             | \$ -                      | \$ 348,275                             | \$ 55,143                            | \$ 190,756        | \$ 324,390        | \$ 2,432,617       | \$ 2,416,148              |
| Sales and services                       | -                                 | -                          | -                      | 187,865                   | -                                      | -                                    | 201,055           | 336,090           | 725,010            | 711,119                   |
| Grants and government transfers          | 462,400                           | -                          | -                      | -                         | -                                      | -                                    | 32,623            | 177,157           | 672,180            | 3,045,500                 |
| Investment income                        | 137,303                           | -                          | -                      | -                         | -                                      | -                                    | 7,098             | 11,000            | 155,401            | 60,600                    |
| Penalties and fines                      | 26,760                            | -                          | -                      | -                         | -                                      | -                                    | 3,393             | 5,911             | 36,064             | 32,200                    |
| Net Gain on Sale                         | -                                 | -                          | -                      | -                         | -                                      | -                                    | -                 | -                 | -                  | -                         |
| Development charges earned               | -                                 | 1,377                      | -                      | -                         | -                                      | -                                    | -                 | -                 | 1,377              | 202,820                   |
| Contributions from developers and others | -                                 | -                          | -                      | -                         | 2,340                                  | -                                    | -                 | 5,242             | 7,582              | 3,000                     |
| Other revenue from own sources           | 91,786                            | -                          | 17,313                 | -                         | 6,227                                  | 35,400                               | -                 | -                 | 150,726            | 109,830                   |
|  | 1,380,976                         | 595,050                    | 274,966                | 187,865                   | 356,842                                | 90,543                               | 434,925           | 859,790           | 4,180,957          | 6,581,217                 |
| <b>EXPENSES</b>                          |                                   |                            |                        |                           |  |                                      |                   |                   |                    |                           |
| Salaries, wages and benefits             | 740,289                           | 83,616                     | 183,209                | -                         | 90,424                                 | 101,044                              | 28,451            | 142,134           | 1,369,167          | 1,348,714                 |
| Materials and supplies                   | 137,119                           | 424,441                    | 108,466                | 5,540                     | 17,025                                 | 783                                  | 15,603            | 36,619            | 745,596            | 468,840                   |
| Contracted services                      | 260,090                           | 170,024                    | 88,367                 | 181,780                   | 2,299                                  | -                                    | 74,967            | 79,775            | 857,302            | 880,993                   |
| Other                                    | 94,297                            | 87,446                     | 36,969                 | -                         | 193,852                                | 5,317                                | 34,631            | 43,217            | 495,729            | 642,534                   |
| Amortization                             | 55,883                            | 387,978                    | 83,609                 | -                         | 27,016                                 | -                                    | 109,725           | 107,072           | 771,283            | 731,000                   |
|  | 1,287,678                         | 1,153,505                  | 500,620                | 187,320                   | 330,616                                | 107,144                              | 263,377           | 408,817           | 4,239,077          | 4,072,081                 |
| <b>SURPLUS / (DEFICIT)</b>               | <b>\$ 93,298</b>                  | <b>\$ (558,455)</b>        | <b>\$ (225,654)</b>    | <b>\$ 545</b>             | <b>\$ 26,226</b>                       | <b>\$ (16,601)</b>                   | <b>\$ 171,548</b> | <b>\$ 450,973</b> | <b>\$ (58,120)</b> | <b>\$ 2,509,136</b>       |

Schedule C - 2017



# STATISTICS SECTION

(UNAUDITED)





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# DEMOGRAPHICS

## POPULATION OF LANTZVILLE 2014-2018

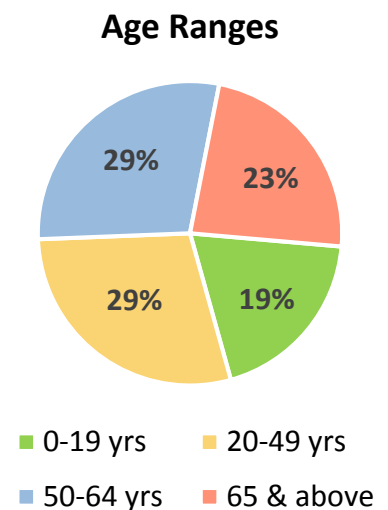
|                            | 2014  | 2015  | 2016  | 2017  | 2018  |
|----------------------------|-------|-------|-------|-------|-------|
| Total Population Estimates | 3,655 | 3,679 | 3,765 | 3,757 | 3,762 |
| % Change from Prior Year   | 0.3%  | 0.7%  | 2.3%  | -0.2% | 0.1%  |

Source: BC Statistics per <https://www2.gov.bc.ca>

## LANTZVILLE - MOST RECENT CANADIAN CENSUS (2016)

|                                  |       |
|----------------------------------|-------|
| Total private dwellings          | 1,517 |
| Population density per square KM | 130.2 |
| Land area in square KMs          | 27.68 |

| Age Ranges                          | Total       | Male        | Female      |
|-------------------------------------|-------------|-------------|-------------|
| 0-14 years                          | 505         | 265         | 240         |
| 15-19 years                         | 190         | 100         | 90          |
| <b>Subtotal: 0-19 years</b>         | <b>695</b>  | <b>365</b>  | <b>330</b>  |
| 20-34 years                         | 455         | 250         | 205         |
| 35-49 years                         | 580         | 270         | 310         |
| <b>Subtotal: 20-49 years</b>        | <b>1035</b> | <b>520</b>  | <b>515</b>  |
| 50-59 years                         | 685         | 330         | 355         |
| 60-64 years                         | 350         | 175         | 175         |
| <b>Subtotal: 50-64 years</b>        | <b>1035</b> | <b>505</b>  | <b>530</b>  |
| 65-79 years                         | 670         | 355         | 320         |
| 80-94 years                         | 165         | 80          | 80          |
| 95 years and above                  | 5           | 0           | 5           |
| <b>Subtotal: 65 years and above</b> | <b>840</b>  | <b>435</b>  | <b>405</b>  |
| <b>TOTAL</b>                        | <b>3605</b> | <b>1825</b> | <b>1780</b> |



Source: Statistics Canada > Census Profile, 2016 Census per <http://www12.statcan.gc.ca>

Note: 2016 totals differ due to differences in methodologies between BC Statistics population estimates versus Stats Canada Census.

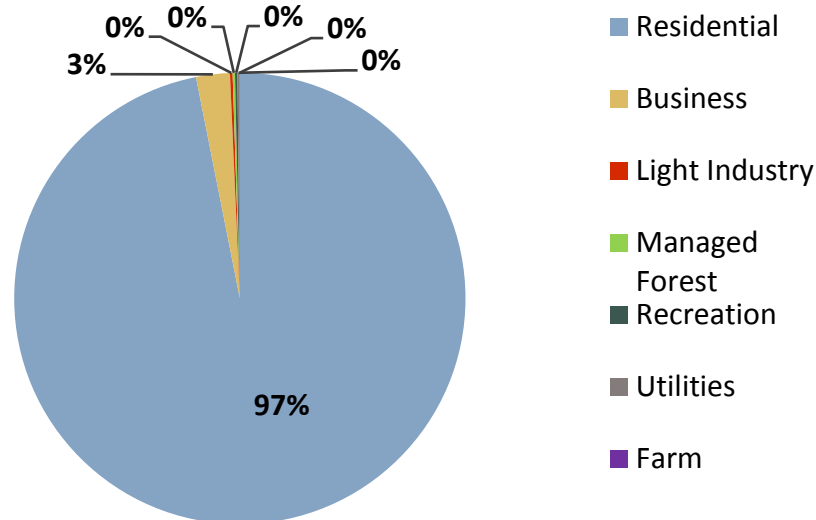
# ASSESSMENT VALUES BY PROPERTY CLASS

## TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS 2014-2018 (IN THOUSANDS)

| Property Class | 2014           | 2015           | 2016           | 2017           | 2018           |
|----------------|----------------|----------------|----------------|----------------|----------------|
| Residential    | 682,914        | 682,719        | 738,172        | 819,436        | 964,780        |
| Business       | 18,812         | 19,084         | 19,079         | 20,952         | 24,063         |
| Light Industry | 1,417          | 1,730          | 1,441          | 1,606          | 1,871          |
| Managed Forest | 1,120          | 1,245          | 1,360          | 1,498          | 1,703          |
| Recreation     | 1,684          | 1,748          | 1,658          | 1,658          | 1,678          |
| Utilities      | 1,517          | 1,459          | 1,484          | 1,531          | 1,603          |
| Farm           | 106            | 101            | 101            | 108            | 116            |
|                | <b>707,570</b> | <b>708,086</b> | <b>763,295</b> | <b>846,789</b> | <b>995,814</b> |

Source: BC Assessment

### 2018 Assessment by Property Class



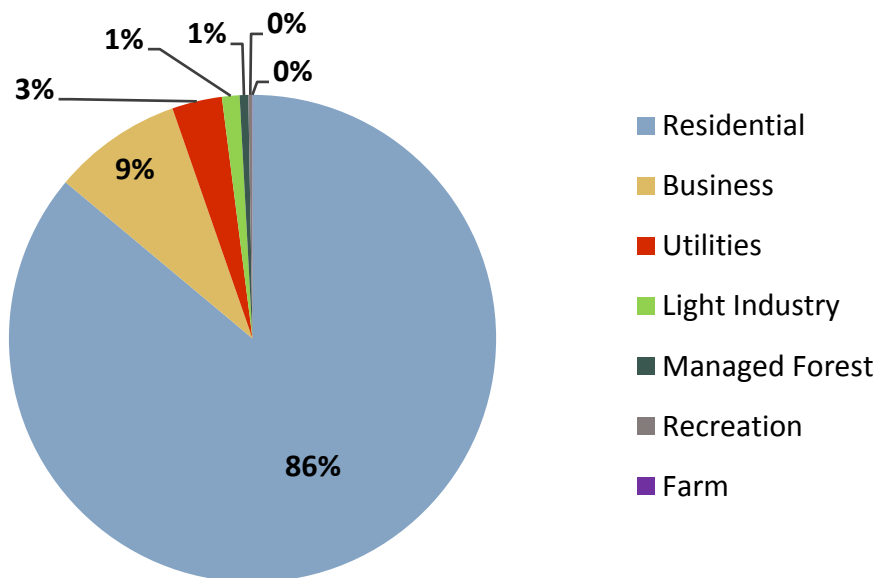
# TAX REVENUE BY PROPERTY CLASS

## TAX REVENUE BY PROPERTY CLASS 2014-2018

| Property Class | 2014             | 2015             | 2016             | 2017             | 2018             |
|----------------|------------------|------------------|------------------|------------------|------------------|
| Residential    | 1,282,377        | 1,315,053        | 1,348,714        | 1,419,100        | 1,500,578        |
| Business       | 141,302          | 147,040          | 139,440          | 145,143          | 149,709          |
| Utilities      | 54,648           | 52,220           | 53,537           | 55,281           | 57,844           |
| Light Industry | 18,619           | 23,323           | 18,426           | 19,470           | 20,370           |
| Managed Forest | 7,887            | 8,993            | 9,318            | 9,728            | 9,933            |
| Recreation     | 5,532            | 5,892            | 5,301            | 5,025            | 4,567            |
| Farm           | 259              | 254              | 241              | 243              | 234              |
|                | <u>1,510,624</u> | <u>1,552,774</u> | <u>1,574,978</u> | <u>1,653,990</u> | <u>1,743,235</u> |

Source: District of Lantzville Finance Department

### 2018 Tax Revenue by Property Class





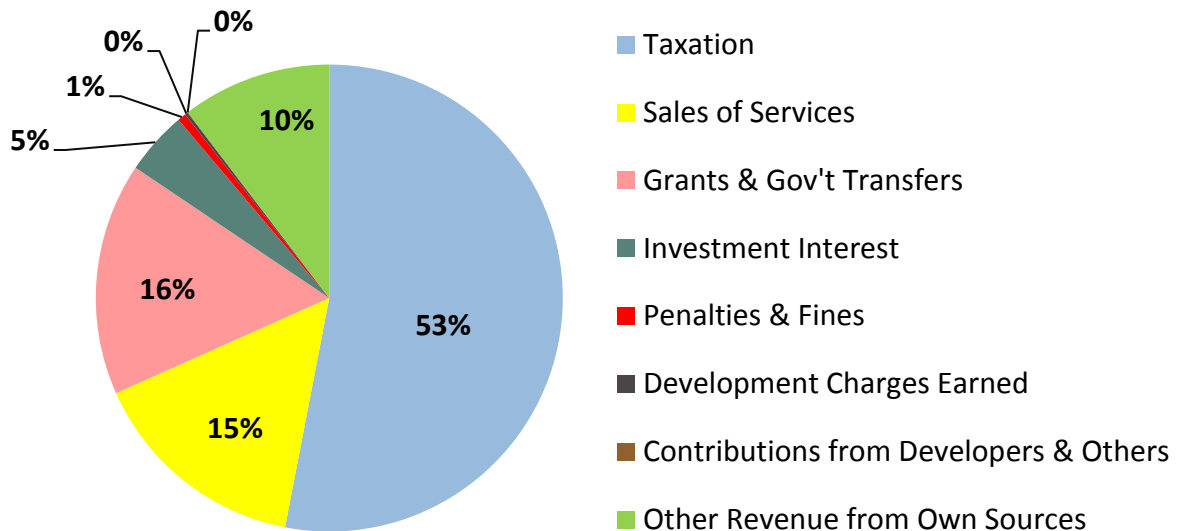
# REVENUES BY SOURCE

## REVENUES BY SOURCE 2014-2018

|  | 2014      | 2015      | 2016      | 2017      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|
| Taxation                                 | 2,229,320 | 2,315,597 | 2,348,126 | 2,432,617 | 2,459,513 |
| Grants in Lieu of Taxes                  | -         | -         | -         | -         | -         |
| Utility Taxes and Fees                   | -         | -         | -         | -         | -         |
| Services and Fees                        | -         | -         | -         | -         | -         |
| Sales of Services                        | 655,401   | 637,183   | 693,187   | 725,010   | 708,569   |
| Grants and Gov't Transfers               | 296,323   | 472,695   | 445,380   | 672,180   | 747,111   |
| Investment Interest                      | 70,603    | 58,778    | 83,147    | 155,401   | 204,192   |
| Penalties and Fines                      | 33,573    | 31,829    | 37,924    | 36,064    | 26,884    |
| Net Gain on Sale                         | -         | -         | 1         | -         | -         |
| Development Charges Earned               | -         | -         | 56,861    | 1,377     | 9,182     |
| Contributions from Developers and Others | 14,570    | 5,664     | 2,460     | 7,582     | 2,260     |
| Other Revenue from Own Sources           | 84,237    | 99,733    | 86,721    | 150,726   | 479,834   |
|  | 3,384,027 | 3,621,479 | 3,753,807 | 4,180,957 | 4,637,545 |

Source: District of Lantzville Finance Department

## 2018 Revenues By Source



# EXPENSES BY FUNCTION & OBJECT

## EXPENSES BY MAJOR FUNCTION/PROGRAM 2014-2018

|                                | 2014             | 2015             | 2016             | 2017             | 2018             |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| General Gov't Services         | 875,249          | 953,604          | 1,041,223        | 1,287,678        | 1,377,640        |
| Transportation Services        | 707,527          | 643,042          | 742,155          | 1,153,505        | 883,338          |
| Protective Services            | 375,572          | 412,653          | 490,168          | 500,620          | 477,625          |
| Solid Waste Collection         | 177,490          | 162,668          | 180,553          | 187,320          | 192,338          |
| Recreation & Cultural Services | 293,821          | 308,944          | 328,118          | 330,616          | 369,100          |
| Community Development Services | 94,022           | 63,265           | 70,715           | 107,144          | 120,289          |
| Sewer                          | 231,530          | 268,253          | 288,988          | 263,377          | 275,949          |
| Water                          | 345,486          | 394,376          | 393,112          | 408,817          | 364,744          |
|                                | <u>3,100,697</u> | <u>3,206,805</u> | <u>3,535,032</u> | <u>4,239,077</u> | <u>4,061,023</u> |

Source: District of Lantzville Finance Department

## EXPENSES BY OBJECT 2014-2018

|                              | 2014             | 2015             | 2016             | 2017             | 2018             |
|------------------------------|------------------|------------------|------------------|------------------|------------------|
| Salaries, Wages and Benefits | 1,030,769        | 1,098,965        | 1,207,863        | 1,369,167        | 1,373,988        |
| Materials and Supplies       | 356,534          | 393,038          | 373,050          | 745,596          | 470,812          |
| Contracted Services          | 373,447          | 370,193          | 526,984          | 857,302          | 788,334          |
| Other                        | 607,218          | 607,868          | 683,427          | 495,729          | 680,411          |
| Amortization                 | 732,729          | 736,741          | 743,708          | 771,283          | 747,478          |
|                              | <u>3,100,697</u> | <u>3,206,805</u> | <u>3,535,032</u> | <u>4,239,077</u> | <u>4,061,023</u> |

Source: District of Lantzville Finance Department

# SURPLUS/(DEFICIT)

## ANNUAL SURPLUS/(DEFICIT) 2014-2018

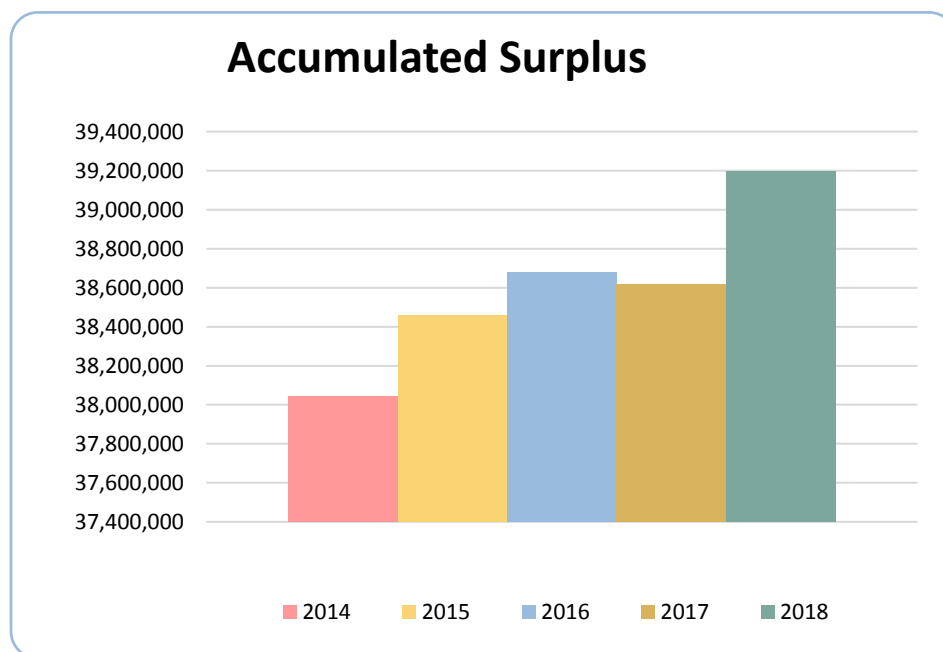
|                          | 2014    | 2015    | 2016    | 2017     | 2018    |
|--------------------------|---------|---------|---------|----------|---------|
| Annual Surplus/(Deficit) | 283,330 | 414,674 | 218,775 | (58,120) | 576,522 |

Source: District of Lantzville Finance Department

## ACCUMULATED SURPLUS 2014-2018

|                     | 2014       | 2015       | 2016       | 2017       | 2018       |
|---------------------|------------|------------|------------|------------|------------|
| Accumulated Surplus | 38,043,938 | 38,458,612 | 38,677,387 | 38,619,267 | 39,195,789 |

Source: District of Lantzville Finance Department

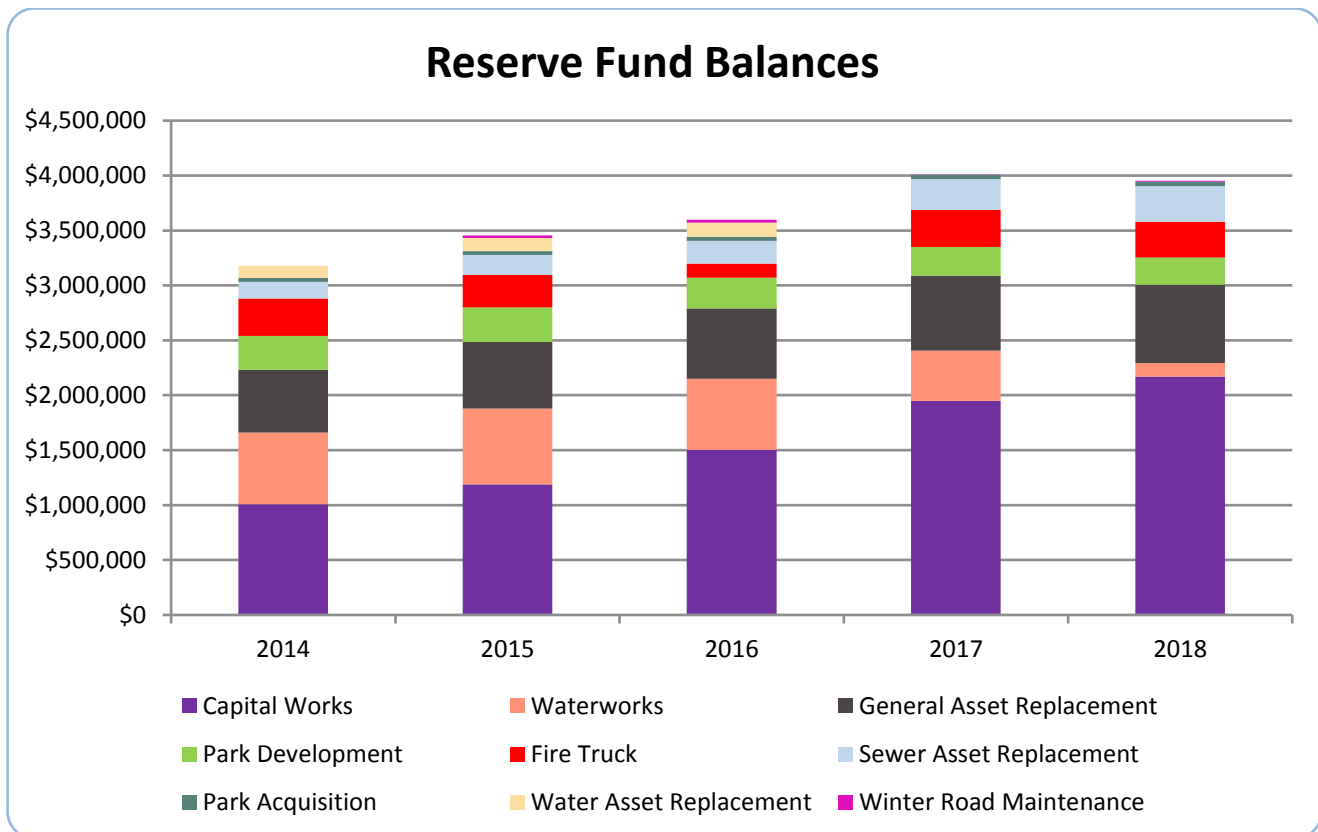


# RESERVE FUND BALANCES

## RESERVE FUND BALANCES 2014-2018

|                           | 2014      | 2015      | 2016      | 2017      | 2018      |
|---------------------------|-----------|-----------|-----------|-----------|-----------|
| Capital Works             | 1,008,377 | 1,187,660 | 1,503,329 | 1,948,307 | 2,169,863 |
| Waterworks                | 692,727   | 646,933   | 763,759   | 456,645   | 123,468   |
| General Asset Replacement | 605,180   | 640,031   | 648,388   | 681,700   | 712,575   |
| Park Development          | 313,091   | 278,892   | 260,052   | 264,887   | 247,233   |
| Fire Truck                | 298,901   | 130,723   | 232,496   | 336,819   | 325,876   |
| Sewer Asset Replacement   | 178,988   | 206,356   | 234,369   | 278,727   | 325,940   |
| Park Acquisition          | 36,083    | 36,343    | 36,670    | 37,352    | 38,211    |
| Water Asset Replacement   | 120,078   | 129,243   | -         | -         | -         |
| Winter Road Maintenance   | 21,154    | 26,338    | 17,525    | 5,420     | 10,645    |
|                           | 3,274,579 | 3,282,459 | 3,696,588 | 4,009,857 | 3,953,811 |

Source: District of Lantzville Finance Department





# ASSETS & NEW CONSTRUCTION

## ACQUISITION OF TANGIBLE CAPITAL ASSETS 2014-2018

|                    | 2014      | 2015    | 2016    | 2017    | 2018      |
|--------------------|-----------|---------|---------|---------|-----------|
| Acquisition of TCA | 1,007,920 | 903,567 | 578,344 | 881,425 | 2,918,080 |

Source: District of Lantzville Finance Department

## NET FINANCIAL ASSETS 2014-2018

|                      | 2014      | 2015      | 2016      | 2017      | 2018      |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Net Financial Assets | 6,008,620 | 6,246,547 | 6,634,975 | 6,722,816 | 5,149,428 |

Source: District of Lantzville Finance Department

## NEW CONSTRUCTION 2014-2018

|                             | 2014      | 2015      | 2016      | 2017      | 2018      |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|
| New Construction Assessment | 5,258,005 | 4,433,468 | 3,483,800 | 6,146,624 | 4,546,966 |

Source: District of Lantzville Finance Department



# DEFERRED REVENUE

## DEFERRED REVENUE RECONCILIATION

|                                 | December<br>31, 2017 | Externally<br>restricted<br>inflows | Revenue<br>earned | December<br>31, 2018 |
|---------------------------------|----------------------|-------------------------------------|-------------------|----------------------|
| Community Works (Gas Tax) Funds | 1,393,378            | 246,298                             | 55,000            | 1,584,676            |
| Development Cost Charges        | 401,550              | 1,113,203                           | 9,182             | 1,505,571            |
| Other Deferred Revenue          | 1,887,870            | 0                                   | 127,736           | 1,760,134            |
|                                 | 3,682,798            | 1,359,501                           | 191,918           | 4,850,381            |

*Source: District of Lantzville Finance Department*

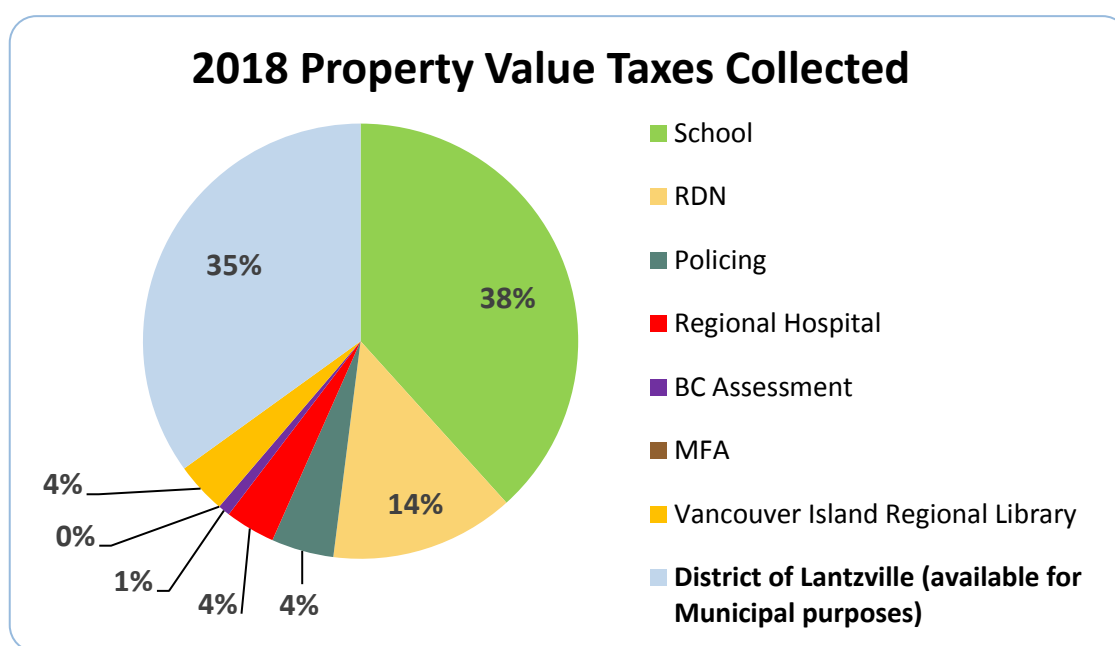


# OTHER STATISTICS

## TOTAL TAXES COLLECTED FOR OTHER AGENCIES 2014-2018

|                              | 2014      | 2015      | 2016      | 2017      | 2018      |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| School                       | 1,867,136 | 1,847,599 | 1,882,129 | 1,820,677 | 1,911,079 |
| Regional District of Nanaimo | 598,711   | 635,902   | 665,395   | 659,683   | 683,089   |
| Policing                     | 197,547   | 202,303   | 207,466   | 210,111   | 231,256   |
| Regional Hospital            | 168,666   | 168,511   | 175,710   | 177,904   | 185,525   |
| BC Assessment                | 48,025    | 46,457    | 45,644    | 40,879    | 44,479    |
| Municipal Finance Authority  | 150       | 150       | 162       | 178       | 210       |
|                              | 2,882,249 | 2,900,922 | 2,976,506 | 2,909,432 | 3,055,638 |

Source: District of Lantzville Finance Department



## PROPERTY TAXES AVAILABLE FOR MUNICIPAL PURPOSES 2014-2018

|  | 2014      | 2015      | 2016      | 2017      | 2018      |
|--|-----------|-----------|-----------|-----------|-----------|
| Net Taxes for Municipal Purposes                   | 2,229,320 | 2,315,597 | 2,348,126 | 2,432,617 | 2,459,513 |
| Less Amounts for Vancouver Island Regional Library | 160,330   | 170,292   | 171,109   | 178,117   | 189,527   |
| Net Taxes for use by the District                  | 2,068,990 | 2,145,305 | 2,177,017 | 2,254,500 | 2,269,986 |

Source: District of Lantzville Finance Department

# OTHER STATISTICS

## TOP 10 PRINCIPAL CORPORATE TAXPAYERS FOR 2018

| <b>Registered Owner</b>                                       | <b>2018 Municipal<br/>Taxes Levied</b> |
|---|--|
| FortisBC Energy (Vancouver Island) Inc                        | \$29,722                               |
| Telus Communications Inc                                      | 23,775                                 |
| Lone Tree Properties Inc                                      | 23,175                                 |
| Almarc Holdings Ltd   | 18,149                                 |
| Lantzville Projects Ltd                                       | 15,910                                 |
| Jim Pattison Developments Ltd                                 | 11,021                                 |
| Hogler Enterprises Ltd  | 10,763                                 |
| Datco Holdings Ltd Inc  | 10,191                                 |
| Winchelsea View Golf Course Ltd                               | 9,597                                  |
| Lantzville Village Holdco Ltd                                 | 8,122                                  |
| <b>Total Tax Contribution from Top 10 Corporate Taxpayers</b> | <b>\$160,426</b>                       |

|                            |                    |
|----------------------------|--------------------|
| <b>Total Municipal Tax</b> | <b>\$1,743,235</b> |
|----------------------------|--------------------|

**Proportion of municipal tax paid by top ten** **9.2%**

*Source: District of Lantzville Finance Department*

## DEBENTURE DEBT

The District of Lantzville has not carried Debenture Debt in the past five years.





# OTHER INFORMATION



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# DISTRICT OF LANTZVILLE

## REPORT ON PERMISSIVE TAX EXEMPTIONS

### 2018 PERMISSIVE TAX EXEMPTIONS

Amount of Municipal Property Taxes that would have been imposed if no tax exemption 2018

| Roll #        | Civic Address  | Owner   | Lessee - Occupant  | 2018 Taxation Exemption | General Municipal Taxes |
|---------------|--|---|--|-------------------------|-------------------------|
| 350 07917.000 | 7113 Lantzville Road   | Anglican Synod Diocese of BC                                | St. Phillip's by the Sea Anglican Church                         | 359,937                 | \$ 980                  |
| 350 07945.100 | 7244 Lantzville Road (Church)                                      | District of Lantzville                                      | Seaside Community Society – Woodgrove Christian Community Church | 378,200                 | 1,029                   |
| 350 07920.000 | Lot 1, Plan 9671, DL 27G (School Road Tennis Courts – Parking Lot) | District of Lantzville                                      |  | 527,000                 | 1,434                   |
| 350 07906.500 | 7225 Lantzville Road   | Seaview Centennial Branch #257 of the Royal Canadian Legion |  | 530,400                 | 2,732                   |
| 350 07919.500 | 7232 Lantzville Road (Costin Hall)                                 | District of Lantzville                                      | Seaside Community Society  | 770,000                 | 4,790                   |
| 351 19458.008 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 96,000                  | 3,463                   |
| 350 19459.009 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 20,700                  | 747                     |
| 350 19459.012 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 14,700                  | 530                     |
| 350 19459.014 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 85,700                  | 3,092                   |
| 350 19459.017 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 84,300                  | 3,041                   |
| 350 19459.018 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 114,000                 | 4,113                   |
| 350 19459.019 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 113,000                 | 4,077                   |
| 350 19460.003 | Railways within District boundaries                                | Island Corridor Foundation                                  | Island Corridor Foundation                                       | 25,700                  | 927                     |
|               |  |   |  |                         | <b>\$ 30,956</b>        |



# 2018 ANNUAL MUNICIPAL REPORT

## DECLARATION OF DISQUALIFICATION FROM OFFICE

### NIL REPORT

May 31, 2019

No declaration has been made for any Council or former Council member to be disqualified from office under section 111 of the *Community Charter*.

*Trudy Coates*

Trudy Coates  
Director of Corporate Administration







# Lantzville

LoveLifeHere

A special thank you to  
the following  
individuals who  
provided beautiful  
photos of Lantzville  
for this report:  
Bob Colclough  
Laurie Desloges  
Fred Spears  
Trudy Coates  
Coral Sawkins

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