



2022 Annual Report

District of Lantzville

**British Columbia
Canada**



District of Lantzville

British Columbia

2022 Annual Report

Fiscal year ended December 31, 2022



This report has been prepared by the Financial Services Department

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lantzville.ca



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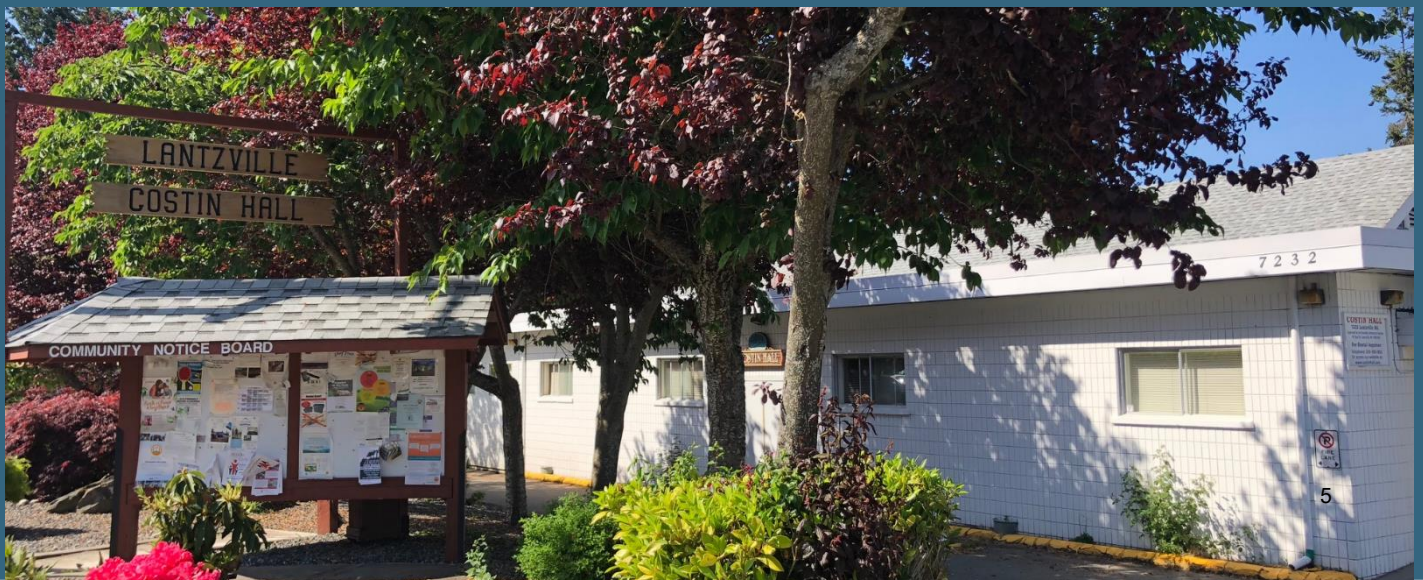
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INTRODUCTORY INFORMATION



MESSAGE FROM THE MAYOR



On behalf of Council, I am pleased to present the 2022 Annual Report for the District of Lantzville. This report contains valuable information related to the District's operations, including the 2022 financial statements, 2022 accomplishments, and 2023 objectives aimed to help achieve Council's 2022-2024 strategic priorities. Thank you for taking the time to discover our beautiful seaside community in these pages and learn more about what is happening now and in the future.

In 2022, the District of Lantzville held its municipal election resulting in the election of three new members - Councillors Jones, Lerner and Mundell, and the re-election of Councillor Savage and myself, Mayor Swain. I welcome the new Council and have confidence we will work together to serve the residents of Lantzville.

Capital projects completed in 2022 included Metro & Mart Paving Improvement, Clark Crescent Watermain Replacement and Lantzville Road Watermain Upgrade. In 2022, a smaller but important safety related project was completed - the new crosswalk at Aulds and Clark roads with flashing pedestrian beacon.

In 2022, the Foothills Development by Lone Tree Ltd. was rezoned. This rezoning increased density by permitting significant amounts of mixed housing including townhouses and apartments in addition to the developer providing many beneficial community amenities including increased parkland. Several other development applications were also approved resulting in the rezoning of properties to permit varied lot sizes of $\frac{1}{4}$ acre to $\frac{1}{2}$ acre and smaller lots for patio homes. Late in 2022, Council adopted its Tree Protection Bylaw, which is now under review in 2023.

Councillor Savage and I met with the Honourable Nathan Cullen, Minister of Municipal Affairs, during the 2022 UBCM Convention to present the case for the District's grant application for the Winds Area Water System, which we later found out in 2023 was successful. Finally, residents in the Winds have an option for a safe and reliable water supply!

On another note, the District acted on a student request and recognized Pride Month by flying the Pride flag at Municipal Hall for the first time in June 2022, and now annually – an inclusive community.

Major works planned in the upcoming year include the Dickinson Road Replacement, Phase II of the Commercial Core Revitalization (partially funded by a Federal grant of \$487,500), and planning of the Pierce Woods Marine Park. Also in 2023, the District, with its secured grant funding to provide water to the Winds residential area, will be bringing this forward to the home owners (included in the grant application) for final project approval by way of a Local Area Service Petition Against.

On behalf of the District of Lantzville Council, we are honoured to serve the people of Lantzville, and we really appreciate all the contributions that residents undertake to make the community better. As the 2022-2026 term is now underway, your Council is working hard to ensure Lantzville will forever remain a great place to live for generations to come.

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

Sincerely,

A handwritten signature in blue ink, appearing to be 'M. Swain', with a long horizontal flourish extending to the right.

Mark Swain
Mayor
District of Lantzville

DISTRICT OF LANTZVILLE

2022 OFFICIALS

MAYOR (January 1 – December 31, 2022)

Mark Swain

COUNCILLORS (January 1 – November 1, 2022)

Will Geselbracht	Karen Proctor
Ian Savage	Jamie Wilson

COUNCILLORS (November 2 – December 31, 2022)

Ian Savage	Jonathan Lerner
Joan Jones	Rachelle Mundell

MANAGEMENT

Chief Administrative Officer	Ronald Campbell, CLGM
Director of Financial Services	Raj Hayre, CPA
Director of Corporate Administration	Trudy Coates
Director of Public Works	Fred Spears
Director of Planning & Community Services	Frank Limshue, RPP
Fire Chief	Neil Rukus

AUDITORS

MNP LLP

PRIMARY BANKERS

Coastal Community Credit Union

PRIMARY SOLICITORS

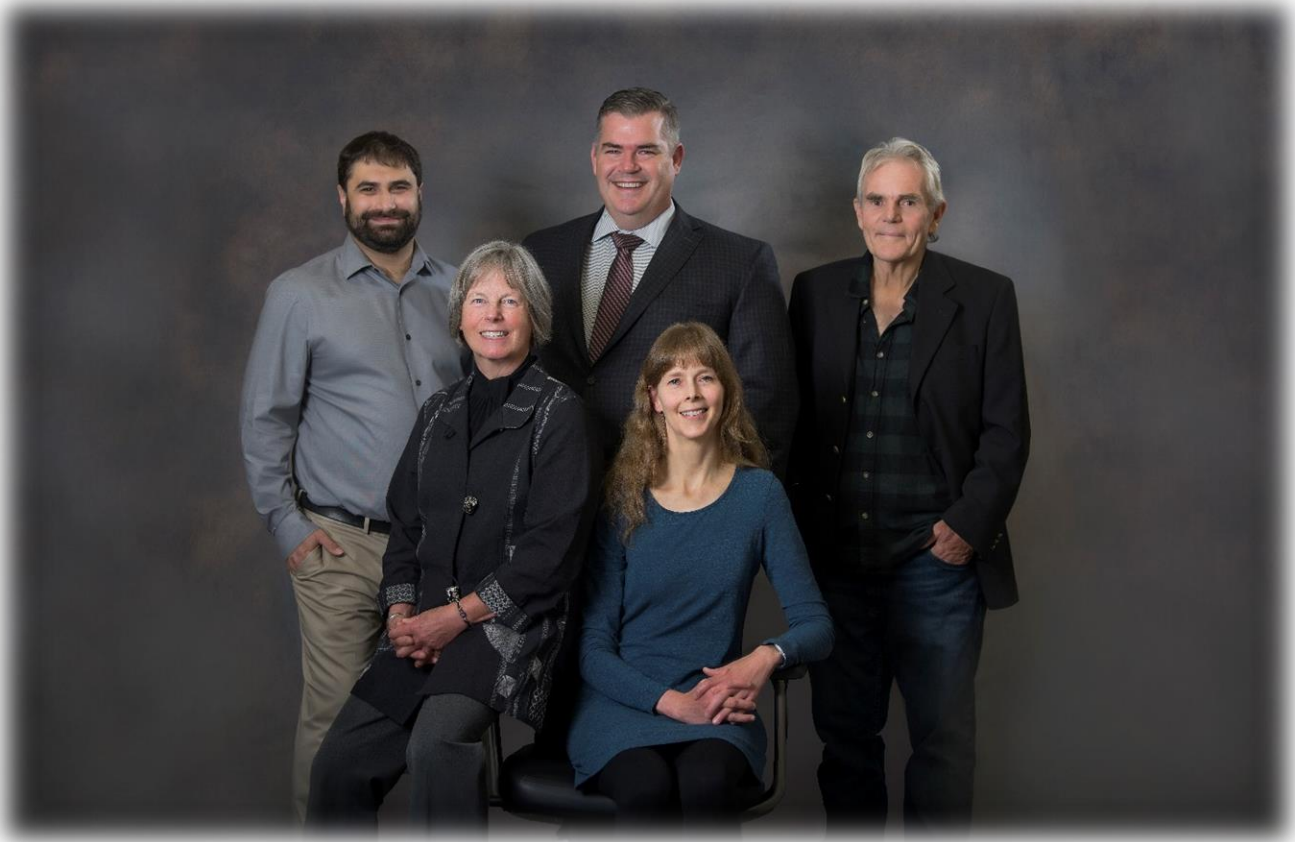
Lidstone & Company

DISTRICT OF LANTZVILLE

2022 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 November 4, 2026. 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 unless a portion is closed to the public in accordance with the *Community Charter*. In person public attendance is permitted in the Council Chamber. Meetings can also be viewed on the District's live stream. Meeting agendas, schedules, minutes and video archives, are available on the District's website at lantzville.ca.



Newly elected council from left to right: Councillor Jonathan Lerner, Councillor Joan Jones, Mayor Mark Swain, Councillor Rachelle Mundell and Councillor Ian Savage

DISTRICT OF LANTZVILLE ORGANIZATIONAL STRUCTURE

Citizens of Lantzville

Mayor & Councillors

Chief Administrative Officer

Ronald Campbell, CLGM

**Director of Financial
Services**

Raj Hayre, CPA

**Director of Corporate
Administration**

Trudy Coates

Director of Public Works
Fred Spears

**Director of Planning &
Community Services**
Frank Limshue, RPP

Fire Chief

Neil Rukus



REPORT FROM THE DIRECTOR OF FINANCIAL SERVICES



District of Lantzville

July 26, 2023

Mayor and Council
District of Lantzville

Your Worship and Members of Council,

I am pleased to present the District of Lantzville's 2022 Annual Report for the fiscal year ended December 31, 2022.

This report, as required by Section 98 of the *Community Charter*, includes the audited 2022 financial statements, performance objectives and supplementary information for the District of Lantzville.

The financial statements for the year ended December 31, 2022 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 MNP LLP, as appointed by Council, 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 2022 operations.

The 2022 audited financial statements were presented and approved by Council on July 26, 2023. At that meeting, MNP LLP also presented the results of the audit.

As at December 31, 2022, the District had an accumulated surplus of \$71.4 million, an increase of \$3.3 million for the year. Accumulated surplus is largely comprised of net investments in tangible capital

assets (\$66.8 million), which includes land, park infrastructure, buildings, roads and utility assets. The District currently holds \$4.0 million of debenture debt for the Sanitary Sewer - Phase III capital project.

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 2023-2027 Financial Plan has been approved by Council and continues to focus on asset management and reserve fund contributions to ensure long term financial stability of the District's infrastructure.

Respectfully,



Rose Liu, CPA, CMA, MBA, PCP
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, 2021

Christopher P. Morrell

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, 2021. 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 will be submitting it to GFOA to determine its eligibility for another award.

STRATEGIC PRIORITIES FOR 2022

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 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. The Financial Plan and Strategic Plan are updated annually. Council is currently developing Strategic Priorities for 2023 onward.

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 are as follows:

Infrastructure

- Implement the Village Commercial Core Improvement Plan and the Streetscape Design.
- Bring water to most residents in Lantzville - Implement Water Master Plan.
- Secure a District-owned Public Works facility.
- Secure the District Firehall site.

Financial Planning

- Establish a policy to identify how new growth tax revenues are allocated.

Community Planning

- Council to establish high level priorities for community amenity contributions.
- Complete the negotiation of the Foothills phased development agreement.
- Design and construct a parking lot on MoTI land at Ware Road/Industrial Road.
- Acquire as much land as possible through development.
- Explore options for the provision of childcare spaces in the District.
- Explore options for the future of Community Use Building A (Costin Hall) and B (former church) and District community use facilities.
- Consider implementation of the Age-friendly Action Plan.

Communication and Engagement

- Work with community partners to facilitate community engagement and potential events such as Farmer's Market(s), Film Nights, Minetown Day, Summer Beach Festival, Summer Music Festival, Polar Bear Swim.

Parks and Recreation

- Work with community partners for access to recreational and greenspace at some beach road ends.
- Reclaim road ends and rights-of-way to provide access to beaches. Staff to bring forward report regarding encroachments and communications with landowners.
- Achieve a partnership with the Regional District of Nanaimo for Foothills park as a regional park and consider other options for partnerships for components.
- Continue advocacy to preserve, protect and expand the Knarston Creek Riparian Corridor.

Service Delivery

- Develop and revise bylaws as needed.
- Facilitate provision of subsidized seniors' housing. Council to facilitate land acquisition, determine potential sites for consideration and provide appropriate zoning to encourage outside agencies to develop seniors' housing.
- Support community greenhouses. Council to determine potential sites for consideration and encourage outside agencies to develop and manage.

Corporate Maintenance/Governance, Internal and External Relationships

- Plan adequate funding for staff levels to deliver District services and meet statutory requirements.
- Continue to develop relationships and shared opportunities with Snaw-naw-as, the Nanoose First Nation.

Community Safety

- Explore the establishment of a Policing Reserve Fund.





SUMMARY OF MUNICIPAL SERVICES

2022

General Government

- Administration
- Corporate Administration
- Financial Services

Protective Services

- Fire Suppression
- Fire Prevention
- Rescue
- Bylaw Enforcement
- Animal Control
- Emergency Services

Community Planning

- Planning
- Economic Development
- Building Inspection

Public Works

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

Emergency Management and Geographic Information System (GIS) services are contracted from the Regional District of Nanaimo. In 2020, the District of Lantzville began delivering building inspection, bylaw enforcement and animal control through Municipal Hall using part-time contract services.

In 2022, the District of Lantzville continued to contract engineering and some public works services. The contracting of these services is reviewed on an annual basis to ensure best value for service.



DEPARTMENTAL REPORTS

General Government

ADMINISTRATION

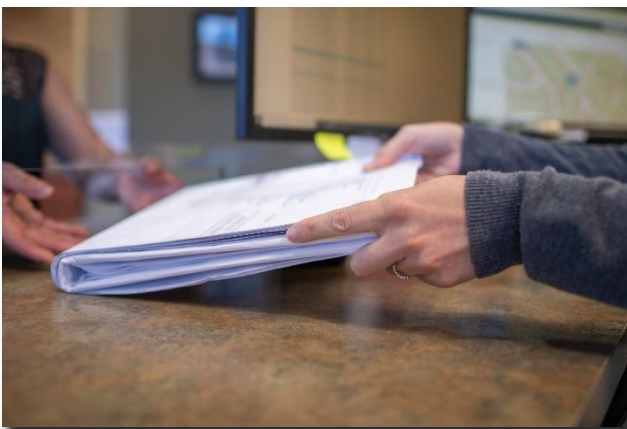
The Chief Administrative Officer (CAO) is responsible for the overall management of the operations of the municipality, as well as implementation of Council Strategic Priorities, policies, objectives and directions. The CAO also holds the position of Deputy Statutory Approving Officer.

Duties of the CAO 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.
- Implementing Council's strategic priorities.
- Fostering both a positive work environment and displaying a commitment to community.

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

Progress on 2022 Objectives:



The 2022 Objectives were to implement Council's Strategic Priorities, subject to available resources. This is ongoing.

In addition to priorities highlighted in this report, staff provide quarterly status reports in open Council meetings, updating Council on the progress of its Strategic Priorities.

Administration continued. . .

Objectives for 2022:

Council has adopted Strategic Priorities for 2021-2022 and is updating the Strategic Priorities for 2023-2024. The objective for 2023 is to implement the Council Strategic Priorities, subject to resources available, and deliver the other projects approved by Council by resolution since the 2022 election.

Performance Measures

- Degree of implementation of the Lantzville Council 2021-2022 Strategic Priorities.
- Health of the organization as a whole and staffing capacity to manage work volume.
- Community consultation, participation and outreach.



DEPARTMENTAL REPORTS

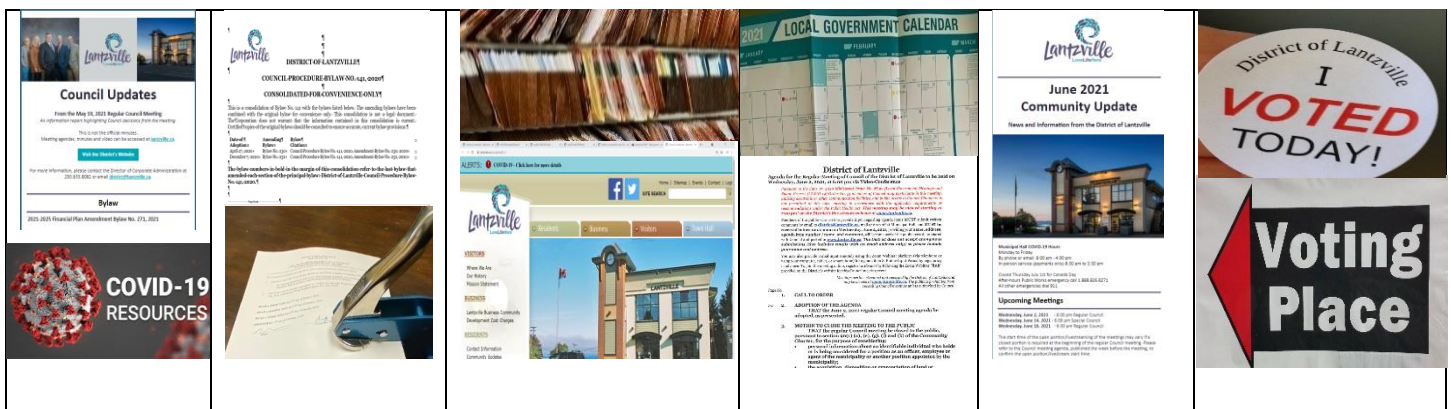
General Government

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, research assignments and special projects.
- Providing procedural advice and administrative support to Council, committees, and the CAO.
- Maintaining and safeguarding minutes, bylaws, and other records and providing public access to records.
- Communications such as the community newsletter, website, and other publications, including publishing notices and advertisements, and assisting with special events and public relations.
- Administering oaths and taking affirmations, affidavits, declarations and certifying copies of bylaws and other documents.
- Organizing and conducting the District's elections and referendums.

In 2022, the Director of Corporate Administration is supported by the Deputy Director of Corporate Administration and the Administrative Assistant (Administration).



Corporate Administration continued...

In addition to the above, the Director of Corporate Administration continues to: Act as the Freedom of Information and Protection of Privacy Head, Secretary to the Board of Variance and the staff liaison on the Community Safety Standing Committee; Acting CAO when required; provide the Human Resources functions; communications; purchasing; website management; property management (leases and licences); and liaise with the public, elected officials, advisory bodies, Provincial ministries and other local governments.

Progress on 2022 Objectives:

- Update Election Bylaw, preparations for October 2022 general local election: Calendar, forms, articles, etc. public well informed on election process and October 2022 general local election completed successfully with a high voter turnout (48.6%): *Completed.*
- Provide support for new Council orientation, Council and committee meetings (including committee member recruitment), and to the Snaw-Naw-As Nanoose First Nation and the District of Lantzville Joint Working Group: *Ongoing.* Completed 2 committee/panel meetings, 38 Council open meeting and 17 closed meeting agendas, resulting in 202 pages of minutes and over 250 Council resolutions.
- Update lantzville.ca: *Ongoing.*
- Complete Phase III Sanitary Sewer Collection System Establishment Amendment (Boundary Adjustment) Bylaw; Officers, Indemnification and Delegation Bylaw Amendment: *Completed.*
- Bylaw Notice Enforcement Bylaw to implement an adjudication system drafted, requires amendment for consistency with Bylaw Notice Dispute Adjudication host (City of Nanaimo) municipality's updated bylaw; update Municipal Ticket Information Bylaw with Planning Department: *Ongoing.*
- iCompass agenda management and website document management updates and go live: *Postponed.*
- Update bylaw index, consolidate bylaws, review bylaws and provide recommendations: *Ongoing.* 20 new bylaws were reviewed and added to the bylaw index during 2022 (6 prepared by Corporate Administration).
- Update policy index, complete draft policies, review policies and provide recommendations: *Ongoing.*
- Continue Human Resources support: *Ongoing.* Eight recruitments in 2022.
- Complete public education material and maintain improved corporate communications consistent with District policies on communication, engagement and transparency: *Ongoing.* In 2022, continued the monthly 4-page Community Update newsletter, distributed by mail and through Constant Contact emails; and the Council Update newsletter distributed by Constant Contact emails to subscribers post-meeting was suspended in the fall 2022 due to competing priorities.

Objectives for 2023:

- Complete Water System Expansion (The Winds) Local Area Service Establishment Bylaw and petition against process; assist Planning with Bylaw Notice Enforcement Bylaw, implementation of an adjudication system and update Municipal Ticket Information Bylaw; assist Public Works with Traffic & Parking Regulations Bylaw and Subdivision and Development Works and Services Bylaw updates.
- iCompass agenda management and website document management to go live.
- Provide support for Council, committee and Joint Working Group meetings.
- Update bylaw index, consolidate bylaws, review bylaws and provide recommendations.
- Update Officers, Indemnification and Delegation Bylaw, Council Procedure Bylaw and Records Management Bylaw for consideration by Council.
- Update policy index, complete draft policies, review policies and provide recommendations.
- Complete public education material and maintain improved corporate communications consistent with District policies on communication, engagement and transparency.

Performance measures:

- Launch of District website updates, iCompass agenda and document management.
- Council consideration of bylaw amendments and policies.
- Public knowledge of District programs, procedures and meetings.



DEPARTMENTAL REPORTS

General Government

FINANCIAL SERVICES

The mandate of the Financial Services Department is to provide operational efficiency, financial planning, and accountability through the application of sound accounting practices and internal control. Its powers, duties and functions include:

- Receiving all money paid to the municipality.
- Ensuring the safekeeping of all funds and securities of the municipality.
- Investing municipal funds, until required, in authorized investments.
- Expending municipal money in the manner authorized by Council.
- Ensuring the accurate records and full accounts of the financial affairs of the municipality are prepared, maintained, and kept safe.
- Exercising control and supervision over all other financial affairs of the municipality.

Financial Services support all departments with their financial analysis and coordinates the annual budgeting process and financial policy development as well as preparation of the annual financial statements, the Annual Report, and all grant funding applications and grant claim reports.

In addition, the Department seeks to achieve excellence in customer service through the efficient and effective use of technology and personal service.



Progress on 2022 Objectives:

- Development of a new growth funding policy. *Ongoing*. Discussions continue throughout the financial planning process.
- Continued focus on increasing reserve fund contributions to address the infrastructure funding deficit identified in the asset management plan. *Ongoing*. The five-year financial plan incorporates increases to the reserve fund contributions.
- Explore the establishment of a Policing Reserve Fund to provide Council with an analysis of the need and costs of establishing a Policing Reserve Fund. *Complete*. It was determined that the rate of future growth and associated policing costs for increased population in Lantzville did not warrant the establishment of a special reserve.
- Comprehensive financial policy review. *Ongoing*. Documentation and update of policy and procedures continues.
- Long-Term Financial Planning: *Ongoing*. Efforts are underway to improve the quality of asset management information and develop a strategy or policy to address the annual infrastructure funding gap. *Ongoing*.

Objectives for 2023:

- Assess the impact of adopting Asset Retirement Obligation accounting standard on the District's financial results.
- Pursue infrastructure grant funding opportunities from senior levels of government.
- Review and update financial policies to reflect current best practices and standards.
- Develop an IT policy covering items such as appropriate use of District IT resources, District vs. personal devices, access to information and cyber security.
- Enhance online services and payment options available to residents.
- Create a new option for Sewer user fees calculation.
- Inter departmental support.

Performance measures:

- Successful infrastructure grant applications.
- Council review and approval of a new growth funding policy.
- Approval of financial policies reflecting best practices.

DEPARTMENTAL REPORTS

Protective Services

FIRE SUPPRESSION, PREVENTION AND RESCUE

The Fire Chief is responsible for:

- Overall fire safety of the municipality.
- Training, education and equipment maintenance for fire personnel.
- Ensuring budgets and operations are managed responsibly.
- Acting as the Local Assistant to the Fire Commissioner.
- Maintaining certifications and accreditations of fire personnel.
- Completing fire inspections.
- Overseeing fire ground operations.
- Fire prevention, acting as local FireSmart representative and providing public education on fire safety.

In addition to the above, Protective Services is working to update financial and administrative procedures and maintain a positive sound relationship with the community.

Progress on objectives for 2022:

- The Lantzville Fire Department continues to promote FireSmart activities in the community through community engagement and online advertising.
- The new Mini Pumper/Rescue is now in full service.
- All regular firefighters are now NFPA 1001 certified.
- Preliminary designs of the new fire station are complete.
- We have hired 5 new recruits.



Objectives for 2023:

- Promote FireSmart activities and programs in the community.
- Engage with the local schools on fire prevention education and activities.
- Complete Fire Officer training.
- Implement the superior tanker shuttle service.
- Complete preliminary pre-incident surveys.
- Install and train firefighters on new thermal imaging cameras.

Performance measures:

- Community engagement on Fire Smart.
- Successfully educate students.
- Have all officers of the department NFPA certified to the fire officer standard.
- Complete the testing of the superior tanker shuttle service program.
- Have pre-incident surveys completed and available on the emergency equipment.
- Have new thermal imaging cameras in service.



DEPARTMENTAL REPORTS

Planning & Community Services

Planning & Community Services provides planning, economic development, building inspection and bylaw enforcement services for the District of Lantzville.

PLANNING

Planning includes responding to bylaw and land development enquiries, processing planning applications, including Official Community Plan and Zoning Bylaw amendments, development permits, development variance permits, temporary use permits, subdivisions and Agricultural Land Commission proposals. Planning also facilitates long range planning initiatives.

ECONOMIC DEVELOPMENT

The primary function of economic development services is to implement the Economic Development Strategy (2018). This is delivered through the Planning and Community Services Department.

BUILDING INSPECTION

The District provides building related services using a part-time private contract Building Inspector. The District transitioned from its contract with the Regional District of Nanaimo to provide building permit and inspection services in Lantzville in 2020. This led to significantly reducing processing times from upwards of 4 months to issuing a Building Permit in 2-3 weeks.



BYLAW ENFORCEMENT

In the Fall of 2020, the District began to provide bylaw enforcement services through a part-time private contractor to provide bylaw education and facilitate enforcement action where voluntary compliance cannot be achieved. Prior to October 2020, bylaw enforcement services were provided by contract by the Regional District of Nanaimo.

Progress on 2022 Objectives:

- Continue to improve planning processes, response times to building and bylaw enquiries. *Ongoing.*
- Continue to process planning and building applications. *Ongoing.*
- Review and update bylaws as required. *Ongoing.*

Objectives for 2023:

- Continue to improve planning processes, response times to building and bylaw enquiries.
- Continue to process planning and building applications.
- Review and update bylaws as required.

Performance Measures:

- Community satisfaction with planning and bylaw enforcement processes.
- Applicant and Developer satisfaction with planning and building processes.



DEPARTMENTAL REPORTS

Engineering, Public Works & Parks

The District has six full-time employees in the Public Works Department, who support 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

Public Works manages the District's professional engineering services contracted to Koers & Associates Engineering Ltd.

TRANSPORTATION SERVICES (ROADS AND DRAINAGE)

The District of Lantzville is responsible for maintaining local roads within its boundaries except for Provincially-owned Highways. The District contracts a portion of this service to Windley Contracting Ltd. The Public Works Department provides some road maintenance such as pothole repairs, signage, and other minor road repair items and manages the contract work.

WATERWORKS

The District supplies and distributes water for household use, commercial and fire suppression purposes to approximately 1,000 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 600 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.



Engineering, Public Works, and Parks continued. . .

Progress on 2022 Objectives:

- Phase II of Lantzville Commercial Core Revitalization Project (Dickinson Road to Tweedhope Road). *Ongoing.*
- Purchase a dump truck. *Ongoing.*
- Rebuild Dickinson Road, add sidewalks and street trees. *Ongoing.*
- Construct Multi-Use Path with street trees along Lantzville Road, (Wiles Road to School Road). Funding application withdrawn. *Cancelled.*
- Overlay Lorenzen Lane with chip seal. *Completed.*
- Replace Water Main on Lantzville Road between Peterson Road and Huddleston Road. *Completed.*
- Expand Water System to the Northwind and Southwind area, grant funding required. *Ongoing.*

In addition, the following projects were completed in 2022:

- Purchased a utility vehicle for Parks and Water System purposes.
- Replaced Water Main on Clark Crescent.
- Replaced Asphalt on Mart Road and Metro Road.

Objectives for 2023:

- Complete Phase II of Lantzville Commercial Core Revitalization Project (Dickinson Road to Tweedhope Road).
- Replace Water Main on Harby Road East, Joy Way and Rossiter Avenue.
- Replace service vehicle for the Maintenance Technician III.
- Purchase and install a solar powered radar speed indicator for Lantzville Road & Owen Road.
- Install a new chlorine analyzer at the Ware Road Reservoir.
- Install new and rebuild the old sewer pump at Lavender Lift Station.
- Purchase a new replacement commercial grade ride-on lawnmower.
- Culvert replacement on Ware Road.
- Expand water system to the Northwind and Southwind area, subject to local area service bylaw adoption.
- Upgrade crosswalk at Lantzville School Road.

Performance Measures:

- Completion of capital and operating projects within the 2023 Financial Plan parameters.
- Increase of Fire Flow capacity.
- Decreased number of general public works service-related complaints from residents.
- Increase in pedestrian safety.
- Increase in efficiencies for water and sewer operations.

DEPARTMENTAL REPORTS

Emergency Management

The District of Lantzville 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. The Director of Corporate Administration liaises with the RDN Manager, Emergency Services, who is appointed as the District of Lantzville Emergency Program Coordinator.

Progress on 2022 Objectives:

- These are the 2021 objectives but, subject to new opportunities or challenges, also the objectives for 2022.
- EPC's continuing attendance at conferences/workshops and participation in the Mid-Island Emergency Coordinators and Managers Society and the BC Association of Emergency Managers. *Ongoing.*
- Ongoing recruitment, orientation, and training of local Emergency Support Services (ESS) volunteers for operational readiness. *Ongoing.*
- Coordinate and provide ongoing support to ESS volunteers during responses. *Ongoing*
- Ongoing establishment of Neighbourhood Emergency Preparedness (NEPP) groups and participation in public education and preparedness. *Ongoing.*
- Coordinate continuing emergency response training and exercises for District staff and elected officials, as needed. *Ongoing.*
- Annual participation in Emergency Preparedness Week. *Ongoing.*
- Promoting personal, neighbourhood and organizational emergency preparedness throughout the District including participation at outreach events and workshops, input on websites and monthly newsletters. *Ongoing.*
- Apply for and manage Emergency Preparedness Grants. *Ongoing.*
- Inventory all Emergency Operation Centre (EOC) and ESS supplies and materials and replace as required. *Ongoing.*
- Regional Emergency Management Agreement (EMA): Finalizing the Emergency Management Agreement Review which includes the RDN, District of Lantzville, City of Parksville, Town of Qualicum Beach, and Snuneymuxw, Snaw-naw-As and Qualicum First Nations. The five-year term of the agreement expired May 1, 2021 and has now transitioned to a month to month agreement until the parties have an opportunity to discuss renewal. *Ongoing.*
- Developing evacuation route brochures. *Ongoing*
- Return to in-person training and events. *Ongoing*
- Voyent Alert training for District staff. *Ongoing*
- Participation in the modernization of the *Emergency Program Act* engagement and implementation planning.

Emergency Management continued. . .

Objectives for 2023:

- The objectives for 2023 are the 2022 objectives but are subject to new opportunities or challenges.
- Complete transition of new emergency management staff at RDN and orientation to District of Lantzville.
- Continue work on the 2022 objectives.

Performance Measures:

- Education and training that facilitates EPC, staff, and Council competencies to effectively respond to and recover from an emergency or disaster.
- Retention, recruitment, and active engagement of NEPP groups and ESS volunteers.
- Emergency Operations Centre and reception centres are operational.
- EOC supplies are current and emergency communications capacity is sufficient.
- Increased users registered for Voyent Alert and community participation in virtual events.

VOYENTALERT!

NOTIFICATION SERVICE

Lantzville

REGIONAL DISTRICT OF NANAIMO

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FINANCIAL SECTION



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 MNP 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.



Ronald Campbell, LGM
CAO

July 26, 2023

To the Mayor and Council 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, 2022, and the statements of operations, accumulated remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2022, and the results of its operations, 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.

Other Information

Management is responsible for the other information. The other information comprises the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the 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.

MNP LLP

Suite 400 - 345 Wallace Street, Nanaimo BC, V9R 5B6

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[MNP.ca](https://www.mnp.ca)

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 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.

Nanaimo, British Columbia

July 26, 2023

The logo for MNP LLP, featuring the letters 'MNP' in a large, stylized, handwritten-style font, followed by 'LLP' in a smaller, simpler font.

Chartered Professional Accountants

District of Lantzville



STATEMENT OF FINANCIAL POSITION

As at December 31, 2022 with comparative information for 2021

	2022	2021
Financial assets:		
Cash (Note 3)	\$ 10,505,387	\$ 9,255,710
Investments (Note 3)	4,265,473	3,975,590
Taxes receivable	241,338	185,581
Accounts receivable	401,425	396,453
	15,413,624	13,813,334
Financial Liabilities:		
Accounts payable and accrued liabilities	867,528	803,522
Deposits	1,315,770	395,418
Deferred revenue (Note 4)	3,969,758	4,088,904
Prepaid property taxes	336,221	293,093
Employee future benefits obligations (Note 5)	257,365	219,532
Debt (Note 6 and Note 7)	4,077,655	4,189,792
	10,824,297	9,990,261
Net financial assets	4,589,327	3,823,073
Non-financial assets:		
Tangible capital assets (Note 8 and Schedule A)	66,864,707	64,289,862
Inventory of supplies	14,687	14,699
Prepaid expenses	22,735	32,198
	66,902,129	64,336,759
Accumulated surplus (Note 9)	\$ 71,491,456	\$ 68,159,832
Accumulated surplus represented by:		
Accumulated surplus, excluding accumulated remeasurement losses	\$ 71,625,573	\$ 68,159,832
Accumulated remeasurement losses	(134,117)	
Accumulated surplus	<u>\$ 71,491,456</u>	<u>\$ 68,159,832</u>

Commitments and contingencies (Note 14)

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

Approved by:

Rose Liu

Rose Liu, CPA, CMA, MBA, PCP
Director of Financial Services

District of Lantzville



STATEMENT OF OPERATIONS

As at December 31, 2022 with comparative information for 2021

	Financial Plan (Note 10)	2022	2021
Revenue:			
Taxation, net (Note 11)	\$ 3,624,600	\$ 3,753,054	\$ 2,954,176
Sales of services	1,055,500	1,587,074	1,928,497
Grants and government transfers (Note 12)	7,376,900	815,186	1,533,748
Investment income	75,000	297,832	106,281
Penalties and fines	22,822	47,203	42,087
Development cost charges earned	397,500	330,938	372,575
Contributions from developers and others	-	1,968,000	4,044,470
Other revenue from own sources	521,778	42,308	167,472
Total revenues	13,074,100	8,841,594	11,149,306
Expenses: (Note 13 and Schedule C)			
General government services	1,566,780	1,460,652	1,583,619
Transportation services	1,049,920	1,172,638	1,069,925
Protective services	553,200	545,537	537,337
Bylaw enforcement	69,500	73,512	69,940
Solid waste collection	238,900	205,613	248,121
Recreation and cultural services	475,720	251,363	195,751
Community development services	281,100	244,904	292,506
Building inspection	147,900	127,320	108,180
Sewer	414,870	468,162	412,287
Water	596,110	826,152	565,938
Total expenses	5,394,000	5,375,853	5,083,604
Annual surplus	7,680,100	3,465,741	6,065,702
Accumulated surplus, beginning of year	68,159,832	68,159,832	62,094,130
Accumulated surplus, end of year	\$ 75,839,932	\$ 71,625,573	\$ 68,159,832

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

District of Lantzville STATEMENT OF OPERATIONS

**STATEMENT OF REMEASUREMENT GAINS AND LOSSES
As at December 31, 2022 with comparative information for 2021**



	2022	2021
Accumulated remeasurement losses, Beginning of year	\$ -	\$ -
<u>Unrealized loss attributable to portfolio investments</u>	<u>(134,117)</u>	
Net remeasurement loss, for the year	(134,117)	-
<u>Accumulated remeasurement loss, End of year</u>	<u>\$ (134,117)</u>	<u>\$ -</u>

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, 2022 with comparative information for 2021

	Financial Plan (Note 10)	2022	2021
Annual surplus	\$ 7,680,100	\$ 3,465,741	\$ 6,065,702
Acquisition of tangible capital assets	(12,113,900)	(1,978,565)	(3,492,947)
Contributions of tangible capital assets	-	(1,781,000)	(3,769,419)
Amortization of tangible capital assets	931,000	1,137,946	1,009,894
(Gain) Loss on the disposal of tangible capital assets	-	46,775	-
	(3,502,800)	890,897	(186,770)
Acquisition and consumption of inventory of supplies	-	12	6,089
Acquisition and consumption of prepaid expenses	-	9,462	5,644
	-	9,474	11,733
Remeasurement losses		(134,117)	-
Change in net financial assets	(3,502,800)	766,253	(175,037)
Net financial assets at beginning of year	3,823,073	3,823,074	3,998,110
Net financial assets at end of year	\$ 320,273	\$ 4,589,327	\$ 3,823,073

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

District of Lantzville



STATEMENT OF CASH FLOWS

As at December 31, 2022 with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 3,465,741	\$ 6,065,702
Items not involving cash:		
Amortization of tangible capital assets	1,137,946	1,009,894
(Gain) Loss on disposal and write-down of tangible capital assets	46,775	-
Contributions of tangible capital assets	(1,781,000)	(3,769,419)
Unrealized loss attributable to portfolio investments	(134,117)	
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(4,972)	659,457
Investments	(289,883)	-
Taxes receivable	(55,757)	(51,744)
Accounts payable and accrued liabilities	64,005	(672,190)
Deposits	920,352	(133,464)
Deferred revenue	(119,145)	590,082
Prepaid property taxes	43,128	65,562
Employee future benefit obligations	37,832	58,144
Inventory of supplies	12	6,089
Prepaid expenses	9,462	5,644
Cash provided by operating transactions	3,340,378	3,833,757
Capital transactions:		
Acquisition of tangible capital assets	(1,978,565)	(3,492,947)
Cash used in capital transactions	(1,978,565)	(3,492,947)
Financing transactions:		
Proceeds from (repayments of) borrowing	(112,137)	(110,208)
Investing transactions:		
Changes in investments held	-	(54,352)
Increase in cash and cash equivalents	1,249,677	176,250
Cash and cash equivalents, beginning of year	9,255,710	9,079,460
Cash and cash equivalents, end of year	\$ 10,505,387	\$ 9,255,710

The accompanying notes are an integral part of these financial statements

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

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, transportation, 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.



District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies: (Continued)

(c) Revenue Recognition:

i. Taxation Revenue

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal purposes. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Taxes are recognized as revenue in the year they are levied.

Through the BC Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The impacts of these adjustments on taxes are recognized at the time they are awarded.

ii. Development Cost Charges

Development cost charges are recognized as revenue during the period in which the related costs are incurred.

iii. Government Transfers

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized. Government transfers with stipulations restricting their use are recognized in the financial statements as revenues in the period in which eligible expenses are incurred provided they are authorized and meet eligible criteria.

iv. Sale of Services

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.

v. Investment Income

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.

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies: (Continued)

(d) 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.

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

(f) 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.

(g) Debt:

Debt is presented net of repayments and actuarial adjustments.

(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.

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies: (Continued)

(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 Improvement	10 – 50
Buildings	15 – 80
Equipment	5 – 10
Roads Infrastructure	10 – 75
Vehicles	10 – 25
Sewer Infrastructure	10 – 100
Water Infrastructure	10 – 100

Amortization is calculated annually. 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.

i. 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.

ii. 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies: (Continued)

Tangible Capital Assets: (Continued)

iii. Interest Capitalization:

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

iv. 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.

v. Contaminated Sites:

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is to be recognized when all of the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The District is directly responsible or accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

As a result of a review of District of Lantzville sites, no liability has been recorded in these financial statements. If a liability is determined, it will be recorded net of any expected recoveries.

vi. Inventory of Supplies:

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

(j) 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

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies: (Continued)

Use of Estimates: (Continued)

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.

(k) Comparative Figures:

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

(l) Adoption of new accounting policies:

The District has early adopted the following new standards from PSAB, effective January 1, 2022. The adoption of the following new standards did not have a material impact on the District's financial statements except as indicated below for equity instruments quoted in an active market and portfolio investments.

PS 3450 Financial Instruments

The new section PS 3450 includes recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives. The new section is applied prospectively, and prior periods have not been restated.

The District recognizes investments in equity instruments quoted in an active market and portfolio investments at fair market value. The effect in the current year of adopting this new accounting policy is to decrease portfolio investments by \$134,117 and increase accumulated remeasurement losses by \$134,117.

(m) Upcoming accounting standard

PS 3280 Asset Retirement Obligations

Public sector entities in Canada have legal obligations to retire certain tangible capital assets at the end of their lives. In August 2018, new PS 3280 Asset Retirement Obligations (ARO) was included in the *CPA Canada Public Sector Accounting Handbook* (PSA HB). PS 3280 will be effective fiscal year 2023 for the District.

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies: (Continued)

Upcoming accounting standard: (Continued)

The new PS 3280 establishes standards on how to account for and report a liability for ARO. The main features of this standard are as follows:

- An ARO represents a legal obligation associated with the retirement of a tangible capital asset.
- Asset retirement costs increase the carrying amount of the related tangible capital asset and are expensed in a rational and systematic matter.
- When an asset is no longer in productive use, the associated asset retirement costs are expensed.
- Measurement of the ARO liability should result in the best estimate of the amount required to retire a tangible capital asset at the financial statement date.
- Subsequent measurement of the ARO liability results in either a change in the carrying amount of the related tangible capital asset or an expense. The accounting treatment depends on the nature of the remeasurement and whether the asset remains in productive use.
- The best method to estimate the liability is often a present value technique.

Management is in the process of assessing the impact of adopting this standard on the District's financial results.

2. Financial Instruments:

The District's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, deposits, and debt. Qualitative and quantitative analysis of the significant risks from the District's financial assets and liabilities is provided below:

(a) Credit Risk

Credit risk is the risk of loss due to the failure by debtors to meet contractual obligations. The District is exposed to credit risk typically due to difficulty in collecting receivables. As at December 31, 2022, the amount of accounts receivable was \$401,425 (\$396,453 – 2021), half of which is utility user fees. The District's utility billing date is mid-December with payment due in 30 days. This results in user fee receivable going into each new year. However, in accordance with Section 258 of the *Community Charter*, outstanding balances of utility accounts in default are liens against property until they are paid,. This statutory process allows the District to collect unpaid user fees by adding it to property taxes and initiate a tax sale process; therefore, mitigate the credit risk imposed on the District.

NOTES TO THE FINANCIAL STATEMENTS

2. Financial Instruments: (Continued)

(b) Market and Interest Rate Risk

Market risk is the risk that changes in market prices and inputs, such as interest rates, which will affect the District's financial assets' value. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. The District mitigates market risk by holding cash balances with highly regulated credit unions as well as managing a diversified investment portfolio by following the investment policy which is approved by the District's Council.

Interest rate risk is the risk that the fair market value of a financial instrument will fluctuate because of changes in the market interest rates. There was a significant increase in interest rates during 2022. Bank of Canada increased its policy interest rate to 4.25% from 0.25% in 2022.

The significant rise in market interest rates during 2022 resulted in a threefold increase of the District's investment income from \$106,281 in 2021 to \$297,832 in 2022. Meantime, the District had accumulated remeasurement losses (- \$134,117) on the Statement of Remeasurement Gains and Losses due to the decrease in market value from Bonds and other investments. This loss reflects a decrease in the value of an investment before it is sold.

(c) Liquidity Risk

Liquidity risk is the risk that an entity will not have sufficient cash to meet its financial commitments in a timely manner. The District maintains adequate levels of cash flow to ensure all its obligations can be met when they are due.

Unless otherwise noted, it is management's opinion that the District is not exposed to significant risks mentioned above arising from its financial instruments.

3. Cash and Investments:

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

NOTES TO THE FINANCIAL STATEMENTS

3. Cash and Investments: (Continued)

	2022	2021
Cash	\$ 10,505,387	\$ 9,255,710
Investments	4,265,473	3,975,590
	\$ 14,770,860	\$13,231,300

Cash deposited at the Coastal Community Credit Union cash account earns interest at a rate of prime less 2%. The Coastal Community Credit Union high interest savings account earns interest at a rate of prime less 1.45%. At December 31, 2022, the Canadian bank prime rate was 6.45%.

Investments consist of investments in the Municipal Finance Authority of BC money market fund, mortgage fund and bond funds. Investments have yields ranging from -5.36% to 1.93%.

Included in cash and investments are the following restricted amounts:

	2022	2021
Statutory reserves (Note 9)	\$ 6,734,029	\$ 6,348,066
Restricted investments – development cost charges	1,862,545	2,077,626
	\$ 8,596,574	\$ 8,425,692

4. Deferred Revenue:

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

	2021	Receipts	Interest Earned	Revenue Recognized	2022
Community Works (Gas Tax)	\$1,690,104	\$ 216,543	\$ 42,336	\$ (123,543)	\$ 1,825,440
Development Cost Charges – Water	1,004,358	15,868	25,158	(330,938)	714,446
Development Cost Charges - Sewer	424,637	10,060	10,636	-	445,333
Development Cost Charges - Drainage	438,145	10,992	10,975	-	460,112
Development Cost Charges – Highway	149,847	14,944	3,753	-	168,544
Development Cost Charges – Parkland	60,639	11,951	1,519	-	74,109
Other Deferred Revenue	321,174	800	-	(40,200)	281,774
	\$ 4,088,904	\$ 281,158	\$ 94,377	\$ (494,681)	\$ 3,969,758

NOTES TO THE FINANCIAL STATEMENTS

4. Deferred Revenue: (Continued)

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. As of December 31, 2022, The District had committed \$123,542 from the Community Works Fund reserve to carry out eligible capital projects within the District.

Other Deferred Revenue

The following is a reconciliation of the other deferred revenue recognition items for the year:

	2022	2021
Other Deferred Revenue – Opening Balance	\$ 321,174	\$ 31,767
Adjust for:		
First Nations Agreement	-	(329)
Frontage Works – Dickinson Road	-	19,037
Works & Services – 7360 Harby Road	-	265,699
Business Licence Revenue	(4,200)	5,000
Refund Cash In Lieu of Parkland	(35,200)	-
Other Deferred Revenue – Closing Balance	\$ 281,774	\$ 321,174

5. Employee Future Benefit Obligations:

Employee benefit obligations represent accrued benefits as follows:

	2022	2021
Vacation payable	\$ 77,871	\$ 51,726
Accrued sick leave	179,494	167,806
	\$ 257,365	\$ 219,532

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.

NOTES TO THE FINANCIAL STATEMENTS

5. Employee Future Benefit Obligations: (Continued)

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 trusteesd 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, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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 rate 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$109,123 (2021 - \$107,718) for employer contributions, while employees contributed \$105,020 (2021 - \$95,326) to the Plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

6. Debt, Net of Municipal Finance Authority Sinking Fund Deposits:

The District issues debt instruments through Municipal Finance Authority (MFA) pursuant to security issuing bylaws under authority of the *Community Charter* to finance certain capital expenditure.

All of the District's debt held is with the MFA. Payments and actuarial allocations on the gross amount borrowed in 2021 of \$4,300,000 are held in a sinking fund by the MFA. Sinking fund assets, managed by the MFA, are used to reduce long-term debt to be repaid. In the event that the District does not default under any of its obligations, the sinking fund earnings will be used to offset future principal repayments.

	2022	2021
Total outstanding debt – beginning of year	\$ 4,189,792	\$ 4,300,000
Proceeds from long-term borrowing	-	-
Reduction of long-term debt	112,137	110,208
Total outstanding debt – end of year	\$ 4,077,655	\$ 4,189,792

Anticipated annual principal and interest payments over the next five years are as follows:

	Payment
2023	\$ 149,338
2024	149,338
2025	149,338
2026	149,338
2027	149,338
Total	\$ 746,690

Bylaw #	MFA Issue #	Interest Rate	Year Matures	Balance 2022	Balance 2021
Sewer Fund – Sewer Phase 3					
Reginal District Bylaw 1811	152	0.91%	2050	\$ 4,077,655	\$ 4,189,792
				\$ 4,077,655	\$ 4,189,792

NOTES TO THE FINANCIAL STATEMENTS

7. Municipal Finance Authority Debt Reserve Fund:

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

Upon the maturity of a debt issue, the unused portion of the DRF established for that issue will be discharged to the District. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2022, the District's MFA DRF balance is:

	DRF Cash	DRF Demand Note
MFA Debt Reserve Fund	\$ 44,920	\$ 31,669

8. Tangible Capital Assets (Schedule A):

(a) Assets under construction:

Assets under construction having a value of \$397,108 (2021 - \$1,649,796) 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 \$1,781,000 (2021 - \$3,769,419).

(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) Interest capitalized:

No interest was capitalized with the acquisition or construction of a tangible capital asset during the year.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

9. Accumulated Surplus:

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

	2022	2021
Equity in Tangible Capital Assets	\$ 62,787,052	\$ 60,100,070
Operating Fund	2,104,492	1,711,696
Statutory Reserve Funds	6,734,029	6,348,066
Accumulated remeasurement gains and losses	(134,117)	-
	\$ 71,491,456	\$68,159,832

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

10. Annual Budget:

These financial statements include the Annual Budget as adopted by Council on December 1, 2021. No amendments subsequent to this date have been included. The following is a reconciliation of the budget presentation required for the financial statements and the annual financial plan bylaw:

	2022
Annual Budgeted Surplus – Statement of Operations	\$ 7,680,100
Adjust for:	
Capital expenditures	(12,113,900)
Proceeds from borrowing	2,623,000
Debt principal payments	(110,200)
Transfer from reserves	1,087,400
Internal borrowing repayment	(97,400)
Amortization	931,000
Net Annual Budget – as approved by Council	\$ -

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

11. 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.

	2022	2021
Taxes:		
Property / parcel taxes	\$ 8,320,133	\$ 6,668,937
Payments in lieu of taxes	35,693	30,612
1% utility taxes	57,791	56,995
	8,413,617	6,756,544
Less taxes levied for other authorities:		
School District	2,698,331	2,349,430
Policing	291,150	273,916
Regional Hospital District	571,050	283,703
Regional District of Nanaimo	1,032,659	837,820
BC Assessment Authority	67,008	57,231
Municipal Finance Authority	365	268
	4,660,563	3,802,368
Net taxes available for municipal purposes	\$ 3,753,054	\$ 2,954,176

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

12. Grants and Government Transfers:

	2022	2021
Operating transfers from provincial government:		
Strategic Communities Investment Fund Grant	-	\$ 458,000
Climate Action	\$ 67,082	
Other	-	82,561
Capital transfers from provincial government:		
New Building Canada Fund – Small Communities Fund	580,000	328,000
Capital transfers from federal government:		
Canada Community Revitalization Fund	32,115	-
Federal Gas Tax	123,543	482,766
Other contributions:		
Capital	-	133,000
Other	12,446	49,421
	\$ 815,186	\$1,533,748

COVID Recovery Funding

In November 2020, the Province of British Columbia announced COVID-19 Safe Restart Grants for Local Governments. The District received \$1,220,000 of funds at that time to assist with increased operating costs and lower revenue due to COVID-19. The following outlines how the funds were allocated during the year:

	2022	2021
Balance forward, December 31	\$ 754,950	\$ 1,167,494
Eligible costs incurred:		
Information technology requirements	(138,709)	(71,114)
Facility safety improvements	(40,986)	(11,278)
Wages & benefits	(41,858)	(30,000)
Reserve fund contributions	(126,574)	(312,200)
Interest earned	18,911	12,048
Balance, December 31, 2022 (Included in Operating Reserves)	\$ 425,734	\$ 754,950

NOTES TO THE FINANCIAL STATEMENTS

13. Expenditure 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 expenditures 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 include 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 are 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 include the fire department and emergency planning.

Bylaw Enforcement

Bylaw enforcement services include enforcement of regulatory bylaws.

Solid Waste Collection

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

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.

Community Development Services

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

Building Inspection

Building inspection services ensure the health, safety, and protection of persons and property by confirming that buildings and their systems generally conform to the BC Building Code and other applicable standards.

NOTES TO THE FINANCIAL STATEMENTS

13. Expenditure by Object and Segment: (Continued)

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.

14. Commitments and Contingencies:

- (a) The Regional District of Nanaimo (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 committed \$635,860 to Lantzville Road Watermain Project scheduled for completion in 2023.
- (c) 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.

TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2022

	Infrastructure										
	Land	Land Improvements	Buildings	Vehicles	Equipment	Roads	Sewer	Water	Assets Under Construction	2022	2021
HISTORICAL COST:											
Opening Balance	\$ 18,001,197	\$ 1,932,138	\$ 2,093,153	\$ 2,167,571	\$ 399,715	\$ 17,659,375	\$ 17,003,492	\$ 15,743,300	\$ 1,649,796	\$ 76,649,736	\$69,399,868
Additions	1,105,000	-	-	395,105	299,814	496,152	23,367	1,075,718	364,409	3,759,565	17,281,774
Disposal	-	-	-	-	-	-	-	-	(46,775)	(46,775)	(12,495)
Transfers	1,405,188	-	-	38,204	52,242	23,087	8,539	43,062	(1,570,322)	-	(10,019,411)
Closing Balance, Dec 31	20,511,385	1,932,138	2,093,153	2,600,880	751,771	18,178,614	17,035,398	16,862,080	397,108	80,362,526	76,649,736
ACCUMULATED AMORTIZATION:											
Opening Balance	-	509,092	1,121,622	856,399	334,148	5,587,716	1,405,536	2,545,361	-	12,359,874	11,362,475
Amortization Expense	-	58,336	45,619	104,029	51,543	447,296	191,898	239,225	-	1,137,946	1,009,894
Disposal	-	-	-	-	-	-	-	-	-	-	(12,495)
Closing Balance, Dec 31	-	567,428	1,167,241	960,428	385,691	6,035,012	1,597,434	2,784,586	-	13,497,820	12,359,874
NET BOOK VALUE	\$ 20,511,385	\$ 1,364,710	\$ 925,912	\$ 1,640,452	\$ 366,080	\$ 12,143,602	\$ 15,437,964	\$ 14,077,494	\$ 397,108	\$ 66,864,707	\$ 64,289,862

SCHEDULE B - RESERVE FUNDS (UNAUDITED)

For the year ended December 31, 2022

GENERAL FUND

	Operating Reserve	Capital Works	Facilities Lifecycle	Asset Replacement	Fire Truck	Parks Development	Parks Acquisition	Community Amenity Contributions	One Time Project
Opening Balance	\$ 917,395	1,216,897	1,525,674	445,724	653,142	17,479	72,949	12,000	
Transfers in	23,100	650,000	132,100	107,000	108,200		32,500	147,000	50,000
Interest earned	22,980	20,757	38,216	11,165	16,360	438	1,827	300	
Transfers out	(388,127)	(450,570)	(96,490)	(315,064)	(374,421)		(11,417)	-	
Closing Balance	\$ 575,348	\$ 1,437,084	\$ 1,599,500	\$ 248,825	\$ 403,282	\$ 17,917	\$ 95,859	\$ 159,300	\$ 50,000

SEWER FUND

WATER FUND

	Asset Replacement	Debt Repayment	Asset Replacement	Water Expansion	2022	2021
Opening Balance	\$ 456,149	\$ 389,486	\$ 1,558,566		\$ 7,265,460	\$ 6,188,481
Transfers in	120,800	23,324	407,823	40,000	1,841,847	3,892,129
Interest earned	11,426	9,756	48,764		181,989	63,867
Transfers out	(47,234)		(296,598)		(1,957,418)	(2,879,017)
Closing Balance	\$ 541,141	\$ 422,566	\$ 1,718,555	\$ 40,000	\$ 7,309,377	\$ 7,265,460

SCHEDULE C – 2022 STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2022

	General Government Services	Transportation Services	Protective Services	Bylaw Enforcement	Solid Waste Collection	Recreation and Cultural Services	Community Development Services	Building Inspection	Sewer	Water	2022	2022 Financial Plan
REVENUE												
Taxation	\$ 3,186,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,481	\$ 369,524	\$ 3,753,054	\$ 3,624,600
Sales and services	16,132	-	-	-	264,877	-	149,187	182,000	424,001	550,878	1,587,074	1,055,500
Grants and government transfers	699,073	112,838	3,275	-	-	-	-	-	-	-	815,186	7,376,900
Investment income	296,850	-	-	-	-	-	-	-	981	-	297,832	75,000
Penalties and fines	26,936	-	-	-	4,690	-	-	-	6,358	9,219	47,203	22,822
Development charges earned	-	-	-	-	-	-	-	-	-	330,938	330,938	397,500
Contributions from developers and others	-	-	-	-	-	-	187,000	-	-	1,781,000	1,968,000	-
Other revenue from own sources	3,446	-	31,850	-	-	6,251	-	-	-	760	42,308	521,778
	4,228,487	112,838	35,125	-	269,567	6,251	336,187	182,000	628,821	3,042,319	8,841,594	13,074,100
EXPENSES												
Salaries, wages, and benefits	1,019,781	137,151	228,269	-	-	150,945	204,162	73,821	58,887	213,729	2,086,745	1,963,400
Materials and supplies	137,488	181,994	104,014	11	-	43,965	-	365	21,651	73,325	562,813	369,700
Contracted services	205,423	228,121	48,925	73,501	205,613	196	20,972	53,134	129,328	40,076	1,005,289	873,700
Other	15,933	144,401	56,674	-	-	20,088	19,771	-	27,268	259,797	543,931	1,216,900
Amortization	82,027	480,970	107,657	-	-	36,168	-	-	191,898	239,225	1,137,946	931,000
Debt Servicing	-	-	-	-	-	-	-	-	39,130	-	39,130	39,300
	1,460,652	1,172,638	545,537	73,512	205,613	251,363	244,904	127,320	468,162	826,152	5,375,853	5,394,000
SURPLUS / (DEFICIT)	\$ 2,767,836	\$ (1,059,800)	\$ (510,412)	\$ (73,512)	\$ 63,953	\$ (245,113)	\$ 91,283	\$ 54,680	\$ 160,659	\$ 2,216,167	\$ 3,465,741	\$ 7,680,100

SCHEDULE C - 2021 STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2021

	General Government Services	Transportation Services	Protective Services	Bylaw Enforcement	Solid Waste Collection	Recreation and Cultural Services	Community Development Services	Building Inspection	Sewer	Water	2021	2021 Financial Plan
REVENUE												
Taxation	\$2,543,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,724	\$ 363,000	\$ 2,954,176	\$ 2,958,294
Sales and services	-	-	-	-	248,164	-	76,877	169,000	381,440	1,053,016	1,928,497	1,078,997
Grants and government transfers	638,098	482,767	4,260	-	-	-	77,629	-	328,000	2,994	1,533,748	9,452,643
Investment income	101,566	-	-	-	-	-	-	-	4,715	-	106,281	82,500
Penalties and fines	24,034	-	-	7,650	-	-	-	-	4,315	6,088	42,087	29,522
Development charges earned	-	329,513	-	-	-	-	-	-	-	43,062	372,575	401,163
Contributions from developers and others	546,895	275,051	-	-	-	-	-	-	90,063	3,132,461	4,044,470	3,000
Other revenue from own sources	55,536	-	29,525	-	-	8,550	72,981	-	-	880	167,472	288,188
	3,909,581	1,087,331	33,785	7,650	248,164	8,550	227,487	169,000	856,257	4,601,501	11,149,306	14,294,299
EXPENSES												
Salaries, wages, and benefits	1,033,537	119,412	195,040	-	-	111,362	195,760	53,842	59,088	199,528	1,967,569	1,834,418
Materials and supplies	147,847	166,684	148,111	1,030	-	36,534	499	940	15,861	69,273	586,779	548,700
Contracted services	239,640	142,331	81,517	68,910	248,121	-	11,665	53,398	107,302	9,606	962,490	854,399
Other	93,338	180,953	35,013	-	-	14,854	84,582	-	73,997	74,136	556,873	605,413
Amortization	69,257	460,545	77,656	-	-	33,001	-	-	156,039	213,395	1,009,893	906,000
	1,583,619	1,069,925	537,337	69,940	248,121	195,751	292,506	108,180	412,287	565,938	5,083,604	4,748,930
SURPLUS / (DEFICIT)	\$ 2,325,962	\$ 17,406	\$ (503,552)	\$ (62,290)	\$ 43	\$ (187,201)	\$ (65,019)	\$ 60,820	\$ 443,970	\$ 4,035,563	\$ 6,065,702	\$ 9,545,369

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STATISTICS SECTION (UNAUDITED)





DEMOGRAPHICS

POPULATION OF LANTZVILLE 2018-2022

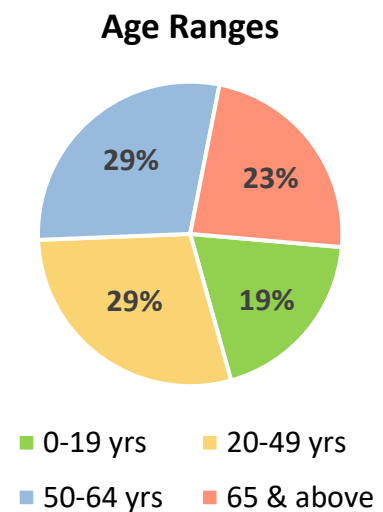
	2018	2019	2020	2021	2022
Total Population Estimates	3,806	3,805	3,843	3,886	3,969
% Change from Prior Year	1.6%	0.0%	1.0%	1.1%	2.1%

Source: BC Statistics per <https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates>

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
0-14 years	585
15-19 years	195
Subtotal: 0-19 years	780
20-34 years	435
35-49 years	660
Subtotal: 20-49 years	1100
50-59 years	590
60-64 years	365
Subtotal: 50-64 years	955
65-79 years	800
80-94 years	180
95 years and above	5
Subtotal: 65 years & over	985
TOTAL	3820



Source: Statistics Canada > Census Profile, 2022 Census per <http://www12.statcan.gc.ca>

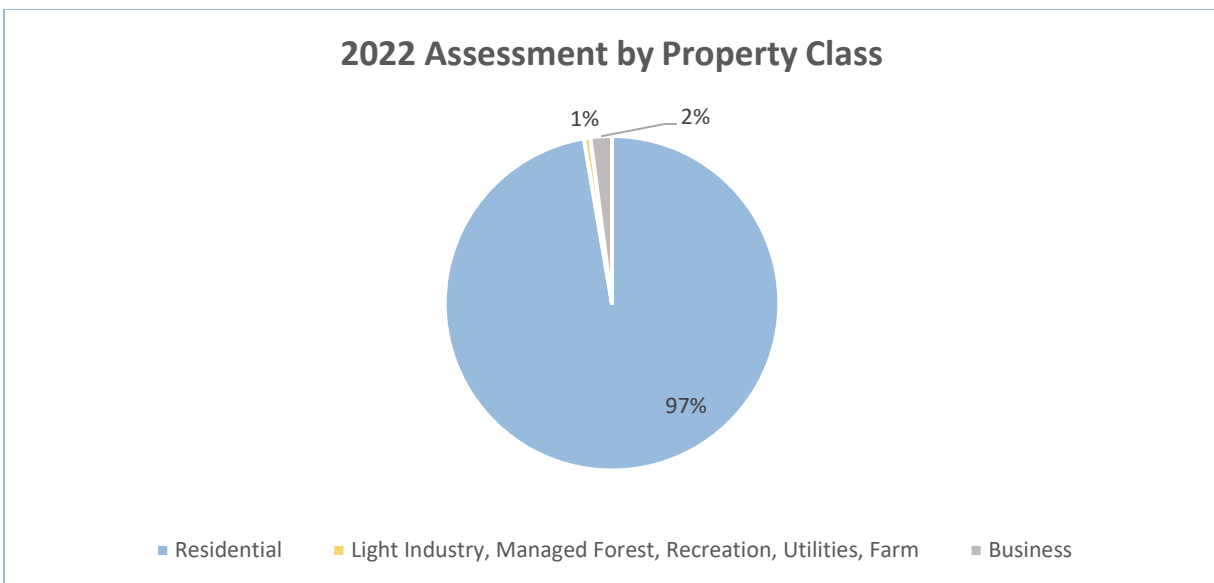
Note: 2022 totals differ due to differences in methodologies between BC Statistics population estimates versus Statistics Canada Census.

ASSESSMENT VALUES BY PROPERTY CLASS

TAXABLE ASSESSMENTS OF LAND AND IMPROVEMENTS 2018-2022 (IN THOUSANDS)

Property Class	2018	2019	2020	2021	2022
Residential	964,780	1,153,348	1,160,662	1,241,265	1,701,823
Business	24,063	26,065	29,242	29,442	36,128
Light Industry	1,871	2,047	2,298	2,423	2,854
Managed Forest	1,703	1,865	1,936	1,876	1,703
Recreation	1,678	1,710	1,796	1,832	1,936
Utilities	1,603	2,193	2,239	2,355	4,357
Farm	116	109	113	113	113
	995,814	1,187,337	1,198,286	1,279,306	1,748,914

Source: BC Assessment

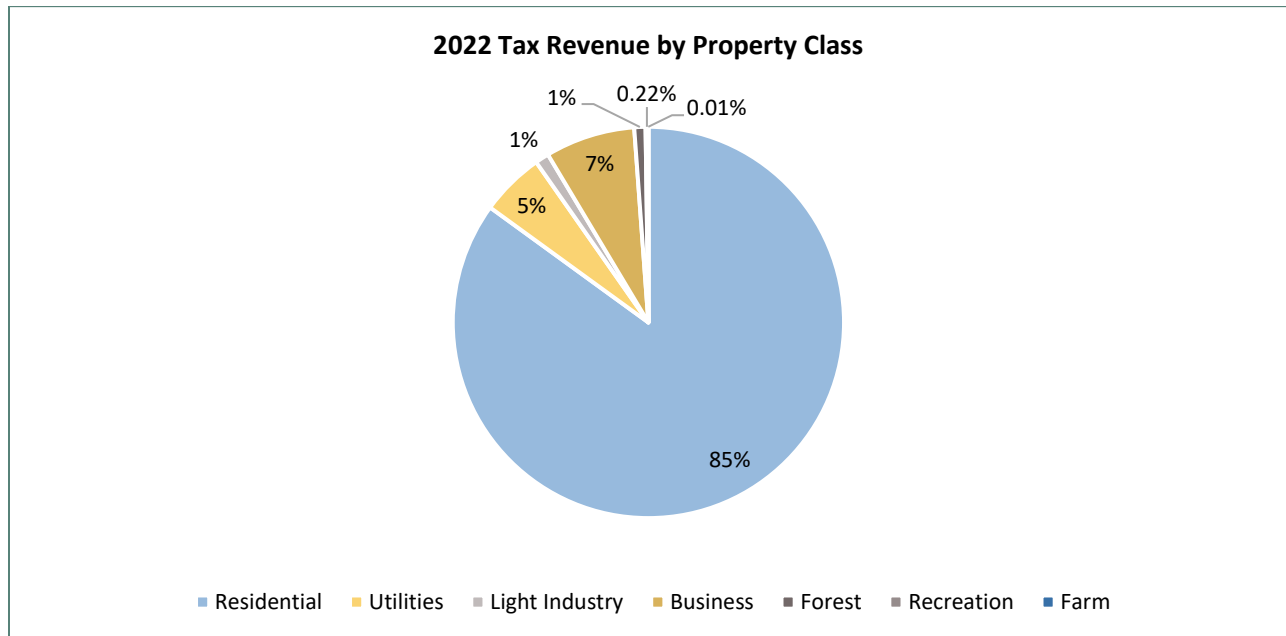


TAX REVENUE BY PROPERTY CLASS

TAX REVENUE BY PROPERTY CLASS 2018-2022

Property Class	2018	2019	2020	2021	2022
Residential	1,500,578	1,639,182	1,957,000	2,120,152	2,589,380
Business	149,709	148,175	197,213	188,581	226,140
Utilities	57,844	79,625	81,928	86,305	160,876
Light Industry	20,370	20,369	27,117	28,966	34,645
Managed Forest	9,933	9,940	12,240	25,635	28,309
Recreation	4,567	4,253	5,299	5,476	6,709
Farm	234	201	249	252	301
	1,743,235	1,901,745	2,281,046	2,455,367	3,046,360

Source: District of Lantzville Financial Services Department



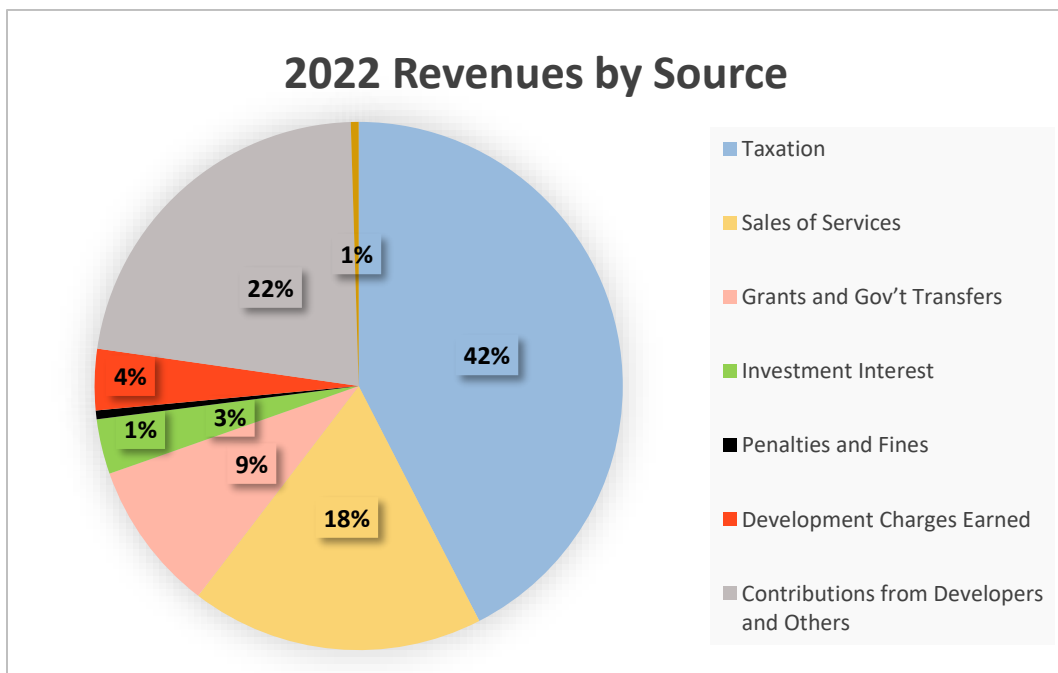
REVENUES BY SOURCE

REVENUES BY SOURCE 2018-2022

	2018	2019	2020	2021	2022
Taxation	2,269,986	2,407,064	2,779,505	2,954,176	3,753,054
Sales of Services	708,569	857,757	1,153,600	1,928,497	1,587,074
Grants and Gov't Transfers	747,111	845,750	5,858,507	1,533,748	815,186
Investment Interest	204,192	226,333	128,063	106,281	297,832
Penalties and Fines	26,884	29,220	25,279	42,087	47,203
Development Charges Earned	9,182	-	267,966	372,575	330,938
Contributions from Developers and Others	2,260	16,067,306	-	4,044,470	1,968,000
Other Revenue from Own Sources	479,834	213,899	278,062	167,472	42,308
	4,448,018	20,647,329	10,490,982	11,149,306	8,841,594

The increase in 2022 for Sales of Services represents an increase in development revenues resulting from bringing building permit activities in house. Previously this service was provided by the Regional District of Nanaimo.

2022 Contributions from Developers and Others represents developer contributed assets for new development comprised of waterworks, roads and sanitary and sewer infrastructure.



Source: District of Lantzville Financial Services Department

EXPENSES BY FUNCTION & OBJECT

EXPENSES BY FUNCTION 2018-2022

Function	2018	2019	2020	2021	2022
General Government Services	1,377,640	1,194,057	1,331,537	1,583,619	1,460,652
Transportation Services	883,338	913,049	914,164	1,069,925	1,172,638
Protective Services	477,625	519,631	569,738	607,277	545,537
Solid Waste Collection	192,338	203,786	213,469	248,121	205,613
Recreation & Cultural Services	179,573	185,310	184,145	195,751	251,363
Community Development Services	120,289	180,673	299,608	400,686	400,686
Sewer	275,949	264,060	292,930	412,287	468,162
Water	364,744	462,440	511,373	565,938	826,152
	<u>3,871,496</u>	<u>3,923,006</u>	<u>4,316,964</u>	<u>4,517,666</u>	<u>5,375,853</u>

Certain comparative figures have been reclassified to conform with presentation adopted in the 2022 Financial Statements.

Source: District of Lantzville Financial Services Department

EXPENSES BY OBJECT 2018-2022

	2018	2019	2020	2021	2022
Salaries, Wages and Benefits	1,373,988	1,453,554	1,709,018	1,967,568	2,086,744
Materials and Supplies	470,812	439,817	543,131	586,780	562,813
Contracted Services	788,334	734,041	704,396	962,490	1,005,289
Other	490,884	405,703	434,481	556,874	583,061
Amortization	747,478	889,891	925,938	1,009,892	1,137,946
	<u>3,871,496</u>	<u>3,923,006</u>	<u>4,316,964</u>	<u>5,083,604</u>	<u>5,375,853</u>

Certain comparative figures have been reclassified to conform with presentation adopted in the 2022 Financial Statements.

Source: District of Lantzville Financial Services Department

SURPLUS/(DEFICIT)

ANNUAL SURPLUS/(DEFICIT) 2018-2022

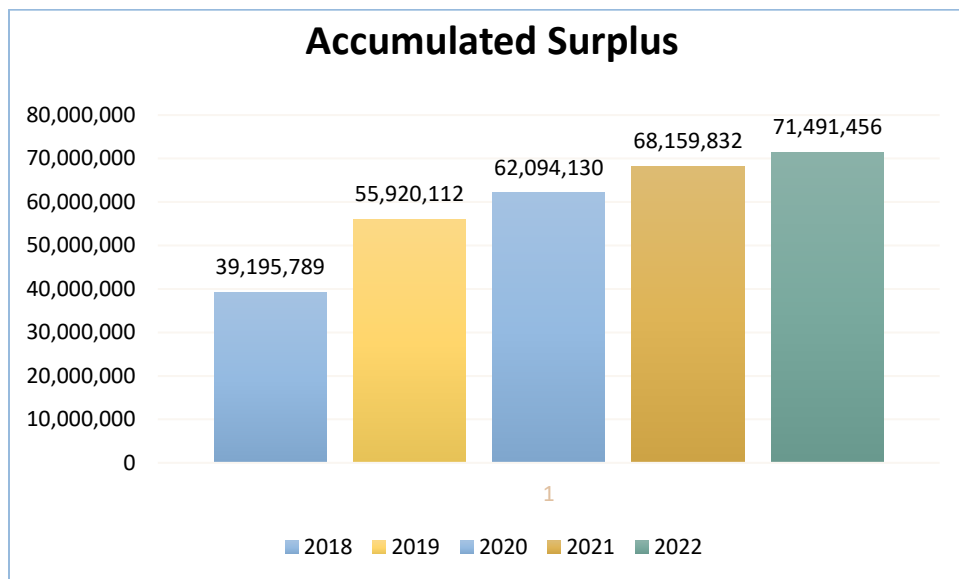
	2018	2019	2020	2021	2022
Annual Surplus/(Deficit)	576,522	16,724,323	6,174,018	6,065,702	3,465,741

Source: District of Lantzville Financial Services Department

ACCUMULATED SURPLUS 2018-2022

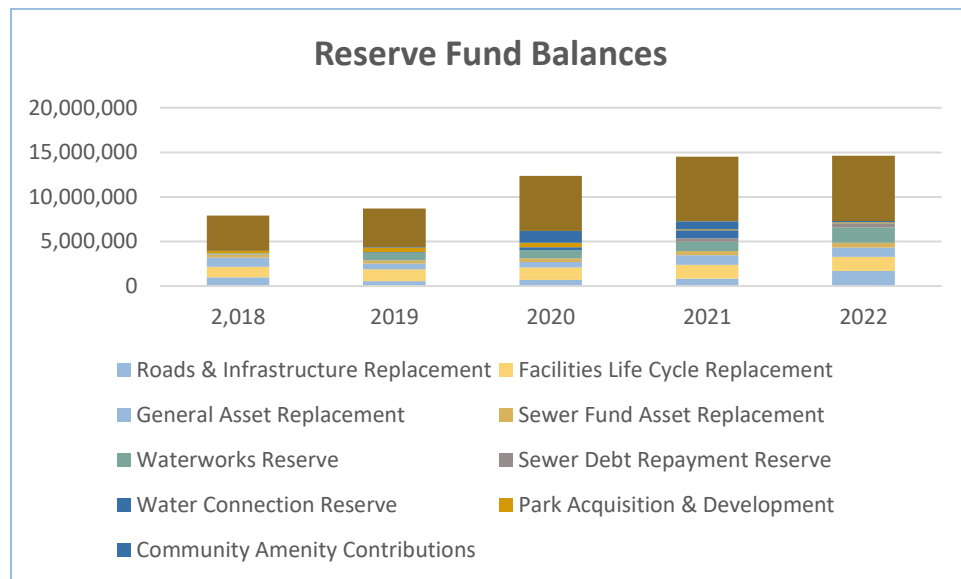
	2018	2019	2020	2021	2022
Accumulated Surplus	39,195,789	55,920,112	62,094,130	68,159,832	71,491,456

Source: District of Lantzville Financial Services Department



RESERVE FUND BALANCES 2018-2022

	2018	2019	2020	2021	2022
<u>Asset Reserves</u>					
Roads & Infrastructure Replacement	961,063	532,844	705,425	840,653	1,685,909
Facilities Life Cycle Replacement	1,208,800	1,359,088	1,379,340	1,525,674	1,599,500
General Asset Replacement	1,038,451	627,579	606,618	1,098,866	1,028,630
Sewer Fund Asset Replacement	325,940	363,142	406,316	456,149	541,141
Waterworks Reserve	123,468	843,868	947,074	1,049,642	1,718,555
<u>Utilities Reserves</u>					
Sewer Debt Repayment Reserve	-	-	-	389,486	422,566
Water Connection Reserve	-	76,859	326,223	897,166	40,000
<u>Developer Funded Reserves</u>					
Park Acquisition & Development	285,444	483,217	499,808	90,427	113,776
Community Amenity Contributions	10,645	63,418	1,317,677	917,395	159,300
	3,953,811	4,350,015	6,188,481	7,265,458	7,309,377



Source: District of Lantzville Financial Services Department



ASSETS & NEW CONSTRUCTION

ACQUISITION OF TANGIBLE CAPITAL ASSETS (TCA) 2018-2022

	2018	2019	2020	2021	2022
Acquisition of TCA	2,918,080	17,780,610	7,968,024	17,269,279	3,712,790

The total TCA that were contributed to the District during fiscal 2022 was \$1,781,000, of which \$1,105,000 was land value and \$676,000 was water infrastructure.

Source: District of Lantzville Financial Services Department

NET FINANCIAL ASSETS 2018-2022

	2018	2019	2020	2021	2022
Net Financial Assets	5,149,428	4,993,727	3,998,110	3,823,074	4,589,327

Source: District of Lantzville Financial Services Department

NEW CONSTRUCTION 2018-2022

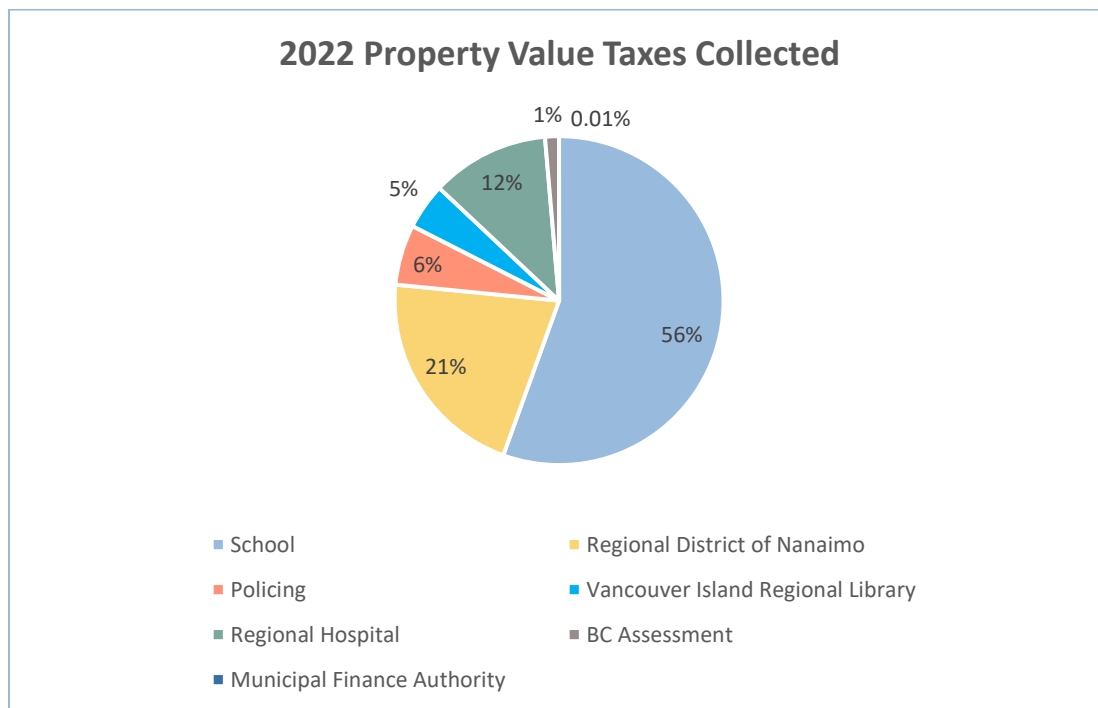
	2018	2019	2020	2021	2022
New Construction - Permit Values	4,342,877	17,585,807	22,676,545	22,423,000	40,080,380

Source: District of Lantzville Financial Services Department

OTHER STATISTICS

TOTAL TAXES COLLECTED FOR OTHER AGENCIES 2018-2022

	2018	2019	2020	2021	2022
School	1,911,079	2,157,969	2,149,878	2,349,625	2,724,750
Regional District of Nanaimo	683,089	749,855	875,060	805,962	1,032,659
Policing	231,256	250,952	267,399	283,761	291,150
Vancouver Island Regional Library	189,526	193,190	212,535	224,963	221,880
Regional Hospital	185,525	203,126	203,247	273,916	570,201
BC Assessment	44,479	50,468	55,455	57,231	66,930
Municipal Finance Authority	210	249	252	268	365
	<u>3,245,164</u>	<u>3,605,809</u>	<u>3,763,826</u>	<u>3,995,726</u>	<u>4,907,935</u>



PROPERTY TAXES AVAILABLE FOR MUNICIPAL PURPOSES 2018-2022

	2018	2019	2020	2021	2022
Net Taxes for Municipal Purposes	2,459,513	2,600,254	2,779,505	2,954,176	3,753,054

Source: District of Lantzville Financial Services Department

OTHER STATISTICS

TOP 10 PRINCIPAL CORPORATE TAXPAYERS FOR 2022

Registered Owner	2022 Municipal Taxes Levied
BC Hydro & Power Authority	\$106,961
FortisBC Energy (Vancouver Island) Inc	98,880
Jim Pattison Developments Ltd	50,262
Telus Communications Inc	50,251
Atlas Engineered Products Ltd	50,025
Hogler Enterprises Ltd	29,659
Datco Holdings Ltd	29,472
Richter Kelly M	28,796
Lantzville Village Hold Co Ltd	22,387
Timberwest Forest II Limited	21,692
Total Tax Contribution from Top 10 Corporate Taxpayers	\$488,385
Total Municipal Tax for general purposes	\$3,753,054

DEBENTURE DEBT

	Amount of Issue			
	Authorized	Unissued And Unsold	2022 Outstanding	2021 Outstanding
Sanitary Sewer – Phase 3	4,300,000	-	4,077,655	4,189,792
Total Debenture Debt	4,300,000	-	4,077,655	4,189,792

The amount of interest paid during fiscal 2022 is \$39,130.00.

	2018	2019	2020	2021	2022
Total Longer Term Debt	-	-	4,300,000	4,189,792	4,077,655
Total Population Estimates	3,806	3,805	3,843	3,886	3,969
Total Debt per Capita	-	-	1,119	1,078	1,027

Source: District of Lantzville Financial Services



OTHER INFORMATION



DISTRICT OF LANTZVILLE

REPORT ON PERMISSIVE TAX EXEMPTIONS

2022 PERMISSIVE TAX EXEMPTIONS

Amount of Municipal Property Taxes that would have been imposed if no tax exemption 2022

Roll #	Civic Address	Owner	Lessee - Occupant	2022 Assessed Value Exemption	General Municipal Taxes
350 07917.000	7113 Lantzville Road	Anglican Synod Diocese of BC	St. Phillip's by the Sea Anglican Church	463,000	1,470
350 07945.100	7244 Lantzville Road (Community Use Building B)	District of Lantzville	Seaside Community Society	481,900	1,530
350 07920.000	Lot 1, Plan 9671, DL 27G (School Road Tennis Courts – Parking Lot)	District of Lantzville		629,000	1,997
350 07906.500	7225 Lantzville Road	Seaview Centennial Branch #257 of the Royal Canadian Legion		560,600	3,190
350 07919.500	7232 Lantzville Road (Community Use Building A)	District of Lantzville	Seaside Community Society	984,300	3,120
351 19458.008	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	116,700	4,533
350 19459.009	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	23,400	909
350 19459.012	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	16,600	645
350 19459.014	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	105,000	4,079
350 19459.017	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	103,000	4,001
350 19459.018	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	141,000	5,477
350 19459.019	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	139,000	5,399
350 19460.003	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	31,600	1,227
					\$ 36,350

2022 ANNUAL MUNICIPAL REPORT

DECLARATION OF DISQUALIFICATION FROM OFFICE

NIL REPORT

July 26, 2023

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

A handwritten signature in black ink that reads "Trudy Coates". The signature is written in a cursive, flowing style.

Trudy Coates
Director of Corporate Administration



A special thank you to the following individuals who provided photos of Lantzville for this report:

- *Bob Colclough*
- *Fred Spears*
- *Trudy Coates*
- *Laurie Desloges*
- *Chris Pouget Photography*



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