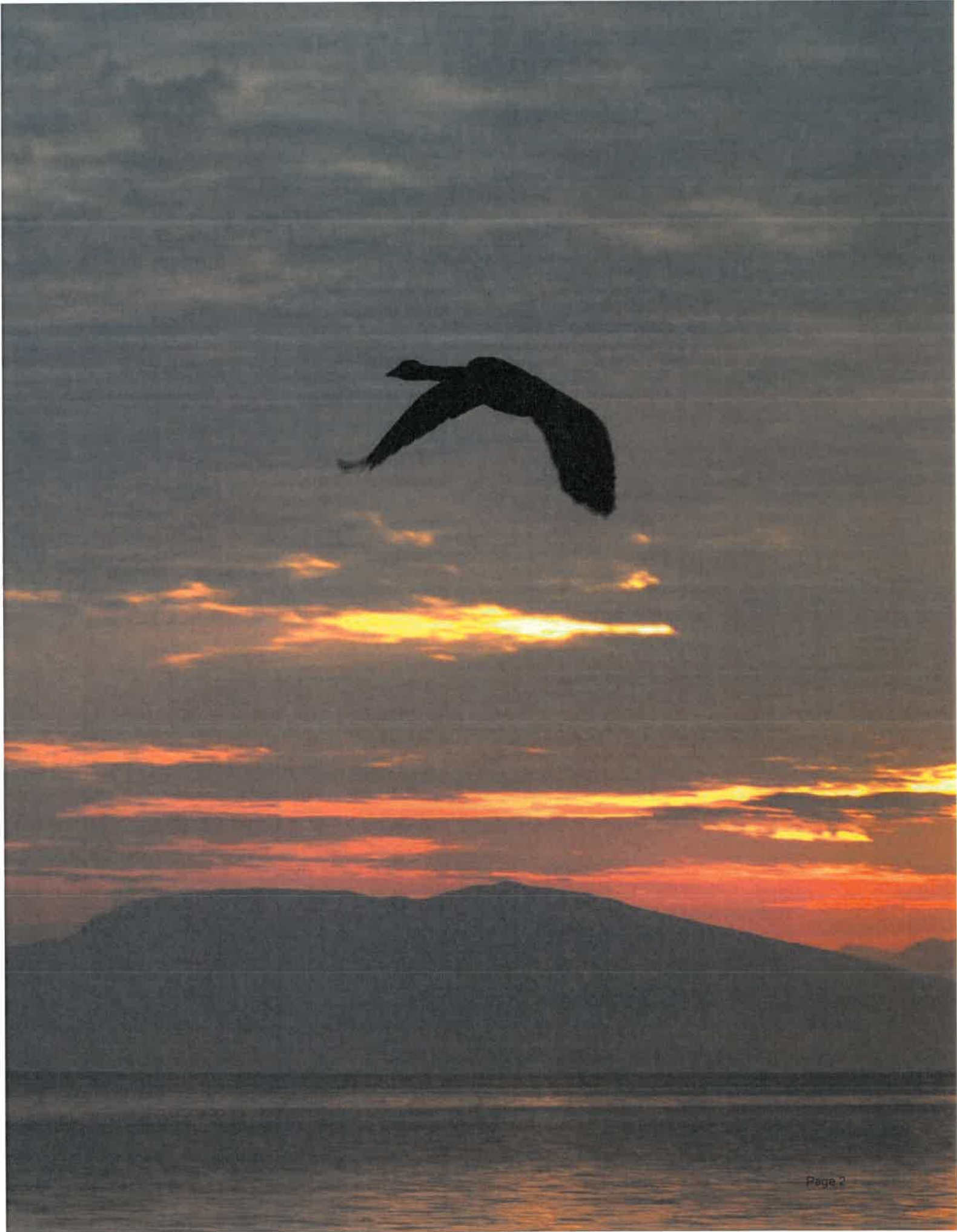




2023 Annual Report

District of Lantzville

**British
Columbia
Canada**



District of Lantzville

British Columbia

2023 Annual Report

Fiscal year ended December 31, 2023



This report has been prepared by the Financial Services Department

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lantzville.ca



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INTRODUCTORY INFORMATION



MESSAGE FROM THE MAYOR



On behalf of Council, I am pleased to present the District of Lantzville's 2023 Annual Report. This report contains valuable information related to the District's operations, including the 2023 financial statements, 2023 accomplishments, and 2024 objectives aimed at helping Council achieve its 2023-2026 strategic priorities. On the following pages, learn more about what is happening now and in the future in our beautiful seaside community.

The District of Lantzville completed many capital projects in 2023, including Phase II of the Commercial Core Revitalization (partially funded by a Federal grant of \$487,500), Plaza Beautification near the Legion, the Aulds & Clark Crosswalk, the School parking lot improvement, and the watermain replacement projects at multiple locations. Additionally in 2023, Council has reviewed its Tree Protection Bylaw and aimed to adopt it in 2024.

We have also made progress on the Local Area Service Petition Against process of the Winds Residential Area Water System Expansion project. Following receipt of a Provincial grant providing 70 percent of the funding, Council has made plans to start Winds Residential Area Water System construction in 2024 if the residents approve the process. Plans are also in the works to replace the Ware Road culvert, build a multi-use path from Leland to Huddlestone Road, replace watermains at additional locations, and upgrade playground equipment for Huddlestone Park.

Substantial legislative changes related to housing have been introduced by the Provincial Government of British Columbia. As of May 31, 2023, the Provincial government has the authority to set housing targets in municipalities with the greatest need and highest projected population growth. This authority comes from the new Housing Supply Act and Housing Supply Regulation. The District of Lantzville will need to develop housing targets to meet these requirements, as will every other community in British Columbia. The Provincial government introduced Bill 44: Housing Statutes (Residential Development) Amendment Act on November 1, 2023, with a view to enabling more affordable housing throughout British Columbia. A considerable investment of time has been made by Council to ensure that the District of Lantzville continues to meet the needs of its residents and to listen to your concerns with the changes and how they will affect our neighbourhoods. This work is ongoing and will continue well into 2024 and beyond.

On behalf of the District of Lantzville Council, we are honoured to serve the people of Lantzville, and appreciate all of the contributions that residents undertake to make the community better. 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', written in a cursive style.

Mark Swain
Mayor
District of Lantzville

DISTRICT OF LANTZVILLE

2023 OFFICIALS

MAYOR

Mark Swain

COUNCIL

Ian Savage
Joan Jones

Jonathan Lerner
Rachelle Mundell

MANAGEMENT

Chief Administrative Officer	Ronald Campbell, CLGM
Acting, Chief Administrative Officer	Trudy Coates
Director of Financial Services	Rose Liu, CPA, CMA, MBA, PCP
Director of Corporate Administration	Trudy Coates
Director of Public Works	Fred Spears
Director of Public Works (Nov – Dec)	Glenn Morphy
Director of Planning Services	Frank Limshue, RPP
Director of Planning Services (Nov – Dec)	George Robinson, MCIP, RPP
Fire Chief	Neil Rukus

AUDITORS

MNP LLP

PRIMARY BANKERS

Coastal Community Credit Union

PRIMARY SOLICITORS

Lidstone & Company

DISTRICT OF LANTZVILLE ELECTED OFFICIALS

The Municipal Council is Lantzville's governing body. Lantzville's Municipal Council is comprised of a Mayor and four Councillors. The District's 5-member Council is serving a term expiring November 4, 2026. Under the *Community Charter*, their role is to provide: good governance, serve its citizens' needs and wants, stewardship for its public assets as well as 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.



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



REPORT FROM THE DIRECTOR OF FINANCIAL SERVICES

Mayor and Council
District of Lantzville

Your Worship and Members of Council,

I am pleased to present the District of Lantzville's 2023 Annual Report for the fiscal year ended December 31, 2023.

This report, as required by Section 98 of the *Community Charter*, includes the audited 2023 financial statements, performance objectives and supplementary information for the District of Lantzville.

The financial statements for the year ended December 31, 2023 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 2023 operations.

The 2023 audited financial statements were presented and approved by Council on May 22, 2024. At that meeting, MNP LLP also presented the results of the audit.

As at December 31, 2023, the District had an accumulated surplus of \$76.3 million, an increase of \$4.7 million for the year. Accumulated surplus is largely comprised of net investments in tangible capital assets (\$67.8 million), which includes land, park infrastructure, buildings, roads and utility assets. The District currently holds \$3.9 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 2024-2028 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, 2022

Christopher P. Monnell

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, 2022. 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.

Council Strategic Priorities 2023-2026

PLANNING & DEVELOPMENT

High-quality neighbourhood planning:

innovative/green technology (build a show case house or building); fire smart; energy efficient; social cohesion; sustainable growth.

Environment first:

acquisition of parkland and greenspace; green infrastructure; environmental asset management.

Affordable housing:

develop responsible housing policy (i.e. subsidized housing, co-op housing, tiny homes, small single-family homes for young families and seniors).

OCP / zoning review:

develop neighbourhood plans for Future Study Areas.

Acquire as much land as possible through development.

Energy Step Code as advanced as possible.

INFRASTRUCTURE GREEN & GREY

Ensure adequate water standard for municipal connections:

protect the municipal aquifer and develop a resilient well field system; keep water affordable.

Road upgrades:

review of bylaw and road standards: engage residents to assess needs.

Drainage:

develop a bylaw; high environmental standards to mitigate effects of development.

Water expansion: implement the \$6M grant for Winds water expansion and expand service to other unserved neighbourhoods.

Promote Rainwater Harvesting.

PARKS & ENVIRONMENT

Trees for future generations:

develop a Tree Management and Protection Bylaw; enhance tree canopy and biodiversity; establish Future Old Growth (FOG) zones.

Pierce Woods Marine Park:

open to the public in 2024 and form a Waterfront Park Committee.

Beach Road Ends:

design and complete Harper, Lavender and Jack's Roads. Invasive plants: removal on all District owned land including parks and road ends.

Local food production enhancement.

Develop a Parks, Trails, Green Space and Active Transportation Plan.

Regional District of Nanaimo:

Lantzville Foothills "Regional Park".

RESIDENT ENGAGEMENT

Continuance of monthly Community Update:

add 'Council Corner' highlighting workshops or municipal services to the community.

Promotion of open and transparent communication with residents:

round table meetings; town hall meetings; explore and engage in new and innovative methods to collect resident input on key issues.

Volunteer built bus shelters:

develop a process including funding.

Rest areas on walking routes:

artisan benches and greenery.

Redesign of District of Lantzville website.

Establish a Volunteer in Parks Program.

Council Strategic Priorities 2023-2026

GOVERNANCE & FINANCES

Continuance of Committees:

Community Safety; Parks and Trails.

Establish new committees/working groups:

Pierce Woods Marine Park; Foothills Park; Green Foreshore Management and Biodiversity; Executive Committee of Council

Asset Management:

inclusion of natural assets.

Continuance of Lantzville / Snaw-Naw-As joint council meetings.

Financial Planning:

Council develop a financial master plan and minimize tax burden to residents.

SERVICES

Community amenities for pets:

dog park; public water bowls.

Fire Safety Rebate Program

(i.e., reflective street numbers).

Beach Fires:

pilot community fire pits.

Community Library:

bring library outreach services and opportunities to Lantzville residents.

Memorial Posts:

a legacy program to dedicate a plaque as a way to pay tribute to an individual or group.

Mission Statement

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

STRATEGIC PRIORITIES FOR 2023

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 has developed a Strategic Priorities for 2024 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

- Complete the Village Commercial Core Improvement Plan and the Streetscape Design.
- Bring water to most residents in Lantzville – Support and implement the water to the Winds project.
- Ensure community water certainty and drought tolerances – Implement a revised water restrictions plan.
- Comprehensive review by-law and roadway cross sections.
- Review and modify the existing drainage by-law.
- Recommend rainwater harvesting opportunities.
- Secure a District-owned Public Works facility.
- Secure the District Firehall site.

Financial Planning

- Establish a financial master plan.

Community Planning

- Council to provide community amenity contributions priority listing.
- Continue to acquire as much land as possible through development.
- Continue to explore options for the provision of childcare spaces in the District.
- Continue to explore options for the future use of Community Use Building A (Costin Hall) and B (former church) and District community use facilities.
- Consider implementation of the Age-friendly Action Plan.
- Support high quality neighborhood planning activities.
- Continue to acquire additional greenspace and establish an environmental asset management report.
- Develop a responsible housing policy.
- Establish timelines for energy step code implementation.
- Support other departments in support of establishing community amenities such as a dog park, beach fire pits, community library, and memorial post program.
- Collaborate with the RDN on a potential Lantzville Foothills Regional Park.
- Collaboration with other departments on the development of an enhanced Tree Management and Protection By-law.

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.
- Review and implement a redesigned District of Lantzville's website.
- Implement an enhanced communication strategy.
- Continue with monthly community updates.

Parks and Recreation

- Pierce Woods Marine open to the public and form a Waterfront Park Committee.
- Enhance Lavender and Jack's Road beach road ends.
- Achieve a partnership with the Regional District of Nanaimo for Foothills park as a regional park and consider other options for partnerships for components.
- Develop a Parks, Trails, Greenspace and active transportation plan.
- Collaboration with other departments on the development of an enhanced Tree Management and Protection By-law.
- Establish a volunteer in Parks Program.
- Establish community amenities for pets. Such as a dog park and public water bowls.

Strategic Priorities continued...

Service Delivery

- Develop and revise bylaws as needed.
- Develop a community pilot beach fire pit program.
- 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.
- Continue to support committees of council.

Community Safety

- Explore the establishment of a Policing Reserve Fund.
- Re-establish the community safety standing committee.



THE ROYAL CANADIAN LEGION

CERTIFICATE

OF APPRECIATION

presented to

The District of Lantzville

in recognition
of services rendered
to

Royal Canadian Legion, Seaview Centennial Branch 257

July 25, 2023

Date

Gary Howk

President/Commander

SUMMARY OF MUNICIPAL SERVICES 2023

General Government	Protective Services	Community Planning	Public Works
<ul style="list-style-type: none">• Administration• Corporate Administration• Financial Services	<ul style="list-style-type: none">• Fire Suppression• Fire Prevention• Rescue• Bylaw Enforcement• Animal Control• Emergency Services	<ul style="list-style-type: none">• Planning• Economic Development• Building Inspection	<ul style="list-style-type: none">• 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 2023, 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. Complete with a force of six staff members carrying out functions within the Public Works Department, and a full time Fire Chief who heads the District's volunteer Fire Department.



Progress on 2023 Objectives:

The 2023 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 2024:

Council began the Strategic Priorities for 2023-2026 with adoption completed in 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 2023-2026 Strategic Priorities.
- Health of the organization as a whole and staffing capacity to manage work volume.
- Community consultation, participation and outreach.



DEPARTMENTAL REPORTS

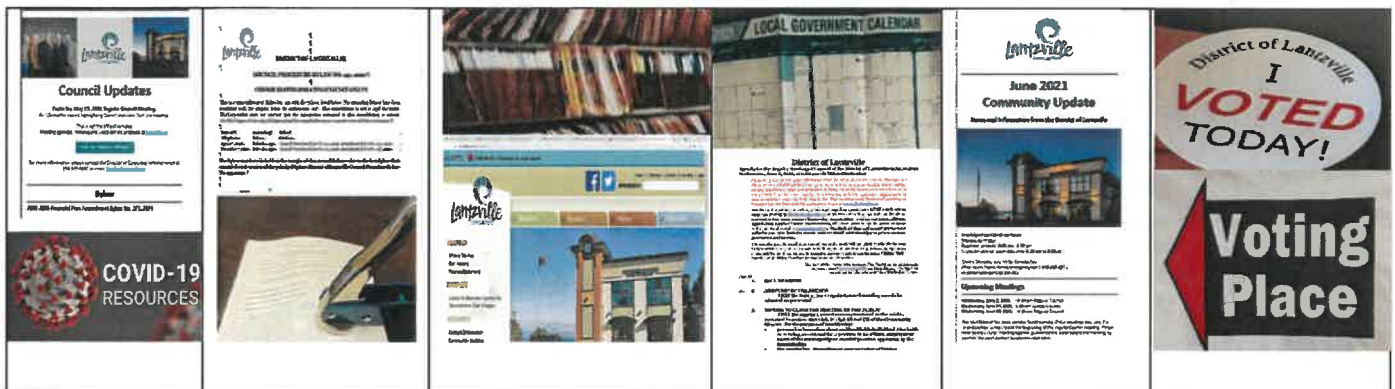
General Government

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 2023, the Director of Corporate Administration is supported by the Deputy Director of Corporate Administration and the Administrative Assistant (Administration).



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 2023 Objectives:

- Continued the implementation of the Water System Expansion (The Winds) Local Area Service
- Assisted Planning with Bylaw Notice Enforcement Bylaw, implementation of an adjudication system and update of the Municipal Ticket Information Bylaw; assisted Public Works with Traffic & Parking Regulations Bylaw and Subdivision and Development Works and Services Bylaw updates.
- iCompass agenda management and website document management initiated.
- Provided support for Council, committee and Joint Working Group meetings.
- Updated the bylaw index, consolidated bylaws, reviewed bylaws and provided recommendations.
- Updated the Officers, Indemnification and Delegation Bylaw and the Council Procedure Bylaw; Records Management Bylaw to be updated next.
- Updated the policy index, completed draft policies, reviewed policies and provided recommendations.
- Continued to develop public education material and maintain improved corporate communications consistent with District policies on communication, engagement and transparency.

Objectives for 2024:

- Complete Water System Expansion (The Winds) Local Area Service Establishment Bylaw and petition against process; continue assisting Planning with Bylaw Notice Enforcement Bylaw, implementation of an adjudication system and update Municipal Ticket Information Bylaw; continue to assist Public Works with Traffic & Parking Regulations Bylaw and Subdivision and Development Works and Services Bylaw updates.
- iCompass agenda management and website document management progress to continue.
- Implement updated web site.
- Provide support for Council, committee and Joint Working Group meetings.
- Update bylaw index, consolidate bylaws, review bylaws and provide recommendations.
- Update 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 2023 Objectives:

- Implemented Asset Retirement Obligation (ARO) accounting standard and assessed the impact of ARO on the District's 2023 Financial Statements
- Created a new option for Sewer user fees calculation and implemented phase one
- Adjusted tax rates for residential and other classes of properties
- Achieved zero percent municipal property tax increase under Council's direction
- Installed a backup server to prevent downtime
- Created IT policy covering items such as appropriate use of District IT resources, District vs. personal devices, access to information and cyber security. Comprehensive financial policy review. *Ongoing*. Documentation and update of policy and procedures continues.

Objectives for 2024:

- Support the Winds Area Water Service Petition Against Process
- Complete the backup server installation to secure the storage and retrieval of data
- Pursue infrastructure grant funding opportunities from senior levels of government
- Review and update financial policies to reflect current best practices and standards
- Implement the IT policy
- Enhance online services and payment options available to residents.
- Inter departmental support
- 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*.

Performance measures:

- Successful infrastructure grant applications
- Council review and approval of a new IT policy
- All data stored on the new backup server
- 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 2023:

- The Lantzville Fire Department continues to promote FireSmart activities in the community through community engagement and online advertising.
- Members of Lantzville Fire Rescue regularly attend fire drills and participate in public education at the Seaview School.
- Members have attended safety events at the Aspengrove school throughout the year.
- Many members of the fire department have completed fire officer training and continue to train to a higher level in the fire officer program.
- The District of Lantzville is now accredited with the superior tanker shuttle service accreditation.
- Some of the preliminary pre-incident surveys have been completed and we are still working on the completion of the rest.



Protective Services continued...

Objectives for 2024:

- Promote FireSmart activities and programs in the community
- Install a new breathing air-filling system
- Complete wildland fire training
- Purchase and outfit a new duty officer vehicle
- Have an engine and crew be deployed to assist with the wildfires
- Purchase and train on a new lifting bag system
- Implement a reflective address post program

Performance measures:

- Community engagement on Fire Smart
- Have the new SCBA filling system installed and running
- All members certify to the BC wildfire standards for deployment
- Complete the purchase of the new duty officer truck and have it in service
- Successfully have an Engine deployed to assist with the wildfires in the 2024 season
- Complete the purchase and training on the new lifting bag system
- Have good community engagement in the ordering of reflective addresses



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.



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 2023 Objectives:

- Continue to improve planning processes, response times to building and bylaw enquiries. *Rolled out CloudPermit software to digitize building permit applications. Ongoing.*
- Continue to process planning and building applications. *Ongoing.*
- Review and update bylaws as required. *Tree Bylaw, Building Bylaw (Energy Step Code), Works and Services Bylaw, and Zoning Bylaw amendments in progress. Ongoing.*

Objectives for 2024:

- Expand digitization efforts to Planning applications to improve processes, response times, and records retention.
- Continue to process planning and building applications.
- Review and update bylaws as required, including Development Cost Charges Bylaw.

Performance Measures:

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

BUILDING INSPECTION

The District provides building permit review and inspection 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.



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 oversees and manages the District's professional engineering agreement with Koers & Associates Engineering Ltd as the service provider.

TRANSPORTATION SERVICES (ROADS AND DRAINAGE)

The District of Lantzville is responsible for maintaining local roads within its boundaries except for Provincial Highways. The Public Works Department provides limited road maintenance activities such as pothole repairs, signage, and other minor road repair items and manages contract work. Windley Contracting Ltd. are under contract to support the Public Works Departments in road maintenance activities.

WATERWORKS

The District supplies and distributes water for household use, commercial and fire suppression purposes to 957 properties in 2023. And, responsible for the communities' water certainty by ensuring the water it supplies meets strict drinking water quality guidelines including maintaining and improving equipment and infrastructure related to this supply and distribution system.

SEWER COLLECTION

The District provides sewer collection services for approximately 600 properties by maintaining and improving the District-owned equipment and infrastructure related to this system within federal and provincial regulations.

PARKS AND RECREATION

The Public Works Department are responsible for the overall maintenance of 12 parks, 3 playgrounds, 1 community gathering place, 6 facility maintenance and 11 road ends within the District.

Progress on 2023 Objectives:

- Phase II of Lantzville Commercial Core Revitalization Project (Dickinson Road to Tweedhope Road). *Ongoing.*
- Rebuild Dickinson Road, add sidewalks and landscaping. *Rescoped (See 2024).*
- Complete Water Main on Lantzville Road between Peterson Road and Huddlestone Road. *Completed.*
- Expand Water System to the Northwind and Southwind area, grant funding required. *Ongoing.*
- Ware Road Culvert Replacement. *Completed.*
- Public Parking Lot Expansion Project (Lantzville School Road). *Completed.*
- Purchase a new replacement commercial grade ride-on lawnmower. *Completed.*
- Replace service vehicle for the Maintenance Technician III. *Completed.*
- Replace Water Main on Harby Road East, Joy Way and Rossiter Avenue. *Ongoing*
- Purchase and install a solar powered radar speed indicator for Lantzville Road & Owen Road. *Cancelled.*
- Install a new chlorine analyzer at the Ware Road Reservoir. *Completed.*
- Install new and rebuild the old sewer pump at Lavender Lift Station. *Completed.*

Objectives for 2024:

- Complete Phase II of Lantzville Commercial Core Revitalization Project (Dickinson Road to Tweedhope Road) – Landscaping plan Implementation Project.
- Replace Water Main on Harby Road East, Joy Way and Rossiter Avenue.
- Expand water system to the Northwind and Southwind area, subject to local area service bylaw adoption.
- Upgrade crosswalk at Lantzville School Road.
- Dickinson Road, add sidewalks and landscaping.
- Purchase a dump truck.
- Rumming Road Culvert and Embankment Stabilization Project.
- Legion Plaza Beautification Project.
- Replacement of 6 Slip Gate Fire Hydrants Project.
- Water Valve and Flush Out Replacement Program.
- Pierce Woods Marine Park Opening, Ph1,
- Lantzville Road Multi-use Pathway from Huddlestone Road to Leland Road
- Lavender and Jacks Roads Beach Ends Initiative
- Harper Road Bike Rack Installation Project.
- Eby Road Bike Rack Installation Project.

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 2023 Objectives:

- As noted below, items related to Emergency Management are continual but, subject to new opportunities or challenges
- The 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 2024:

- The objectives for 2024 are ongoing requirements from the 2023 objectives, but are subject to new opportunities or challenges.
- Continue the Next Generation 911 grant requirements with the RDN's assistance.
- Support implementation of the Indigenous Engagement Requirements in the Emergency and Disaster Management Act, further to the receipt of a grant from the Province.

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.





FINANCIAL SECTION



DISTRICT OF LANTZVILLE

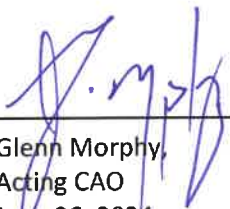
STATEMENT OF RESPONSIBILITY

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.



Glenn Morphy,
Acting CAO
June 26, 2024

Independent Auditor's Report

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, 2023, 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, 2023, 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.

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
May 22, 2024

MNP LLP

Chartered Professional Accountants

MNP
LLP

District of Lantzville

STATEMENT OF FINANCIAL POSITION

As at December 31, 2023 with comparative information for 2022



	2023	2022
Financial Assets:		
Cash and cash equivalents (Note 3)	12,035,962	10,505,387
Investments (Note 3)	6,460,999	4,265,473
Taxes receivable	289,170	241,338
Accounts receivable	917,953	401,425
	19,704,084	15,413,624
Liabilities:		
Accounts payable and accrued liabilities	1,564,511	867,528
Debt (Note 6)	3,963,556	4,077,655
Deposits	822,956	1,315,770
Deferred revenue (Note 4)	4,295,888	3,969,758
Prepaid property taxes	395,455	336,221
Employee future benefit obligations (Note 5)	197,577	257,365
Asset retirement obligations (Note 7)	112,790	-
	11,352,734	10,824,297
Net financial assets	8,351,350	4,589,327
Non-financial assets:	67,832,291	66,864,707
Tangible capital assets (Note 8 and Schedule A)		
Inventory of supplies	21,504	14,687
Prepaid expenses	21,694	22,735
	67,875,489	66,902,129
Accumulated Surplus (Note 9)	76,226,839	71,491,456
Accumulated surplus represented by:		
Accumulated surplus, excluding accumulated remeasurement losses	\$76,321,193	\$71,625,573
Accumulated remeasurement losses	(94,354)	(134,117)
Accumulated surplus	\$76,226,839	\$71,491,456

Commitments and contingencies (Note 14)

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

Approved by:

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

District of Lantzville

STATEMENT OF FINANCIAL POSITION

As at December 31, 2023 with comparative information for 2022



	Financial Plan (Note 10)	2023	2022
Revenue:			
Taxation, net (Note 11)	\$ 3,999,100	\$ 3,762,371	\$ 3,753,054
Sales of services	1,142,800	1,624,056	1,587,074
Grants and government transfers (Note 12)	6,719,671	3,617,994	815,186
Investment income	82,300	735,589	297,832
Penalties and fines	24,300	64,653	47,203
Development charges earned		285,581	330,938
Contributions from developers and Others	200,000	131,852	1,968,000
Other revenue from own sources	50,800	153,875	42,308
	\$ 12,218,971	\$ 10,375,971	\$ 8,841,594
Expenses:			
General government services	\$ 1,873,400	\$ 1,871,222	\$ 1,460,652
Transportation services	1,136,100	1,135,998	1,172,638
Protective services	648,200	687,005	545,537
Bylaw enforcement	78,200	82,023	73,512
Solid waste collection	246,100	251,462	205,613
Recreation and cultural services	542,300	269,558	251,363
Community development services	205,400	229,873	244,904
Building inspection	150,600	91,906	127,320
Sewer	379,400	339,883	468,162
Water	620,900	721,422	826,152
	\$ 5,880,600	\$ 5,680,351	\$ 5,375,853
Annual Surplus	\$ 6,338,371	\$ 4,695,619	\$ 3,465,741
Accumulated surplus, beginning of year	71,625,573	71,625,573	68,159,831

District of Lantzville

STATEMENT OF REMEASUREMENT GAINS AND LOSSES As at December 31, 2023 with comparative information for 2022



	2023	2022
Accumulated remeasurement losses, Beginning of year	\$ (134,117)	\$ -
Net remeasurement gain (loss), for the year	39,764	(134,117)
Accumulated remeasurement loss, End of year	\$ (94,354)	\$ (134,117)

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, 2023 with comparative information for 2022

	Financial Plan (Note 10)	2023	2022
Annual surplus	\$ 6,338,371	\$ 4,695,619	\$ 3,465,741
Acquisition of tangible capital assets	(11,898,371)	(2,422,176)	(1,978,565)
Contribution of tangible capital assets	-	-	(1,781,000)
Amortization of tangible capital assets			
(Gain) Loss on the disposal and write-down of tangible capital assets	931,000	1,315,689	1,137,946
	-		
	(4,629,000)	3,862,152	890,897
Acquisition and consumption of inventory of supplies	-	6817	12
Acquisition and consumption of prepaid expenses	-	1041	9462
		(5,776)	9,474
Remeasurement losses	-	(94,354)	(134,117)
Change in net financial assets	(4,629,000)	3,762,023	766,254
Net financial assets, beginning of year	4,589,327	4,589,327	3,823,073
Net financial assets, end of year	\$ (39,673)	\$ 8,351,350	\$ 4,589,327

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

District of Lantzville

STATEMENT OF CASH FLOWS

As at December 31, 2023 with comparative information for 2022



	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,695,619	\$ 3,465,741
Items not involving cash:		
Amortization of tangible capital assets	1,315,689	1,137,946
Loss on the disposal and write-down of tangible capital assets	273,022	46,775
Contributions of tangible capital assets		(1,781,000)
Unrealized loss attributable to portfolio investments	(94,354)	(134,117)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(516,527)	(4,972)
Temporary Investments	(2,195,526)	(289,883)
Taxes receivable	(47,832)	(55,757)
Accounts payable and accrued liabilities	696,983	64,005
Deposits	(492,814)	920,352
Deferred revenue	326,130	(119,145)
Prepaid property taxes	59,234	43,128
Employee future benefit obligations	(59,788)	37,832
Inventory of supplies	(6,817)	11
Prepaid expenses	1,041	9,462
	3,954,060	3,340,378
Financing activities:		
Proceeds from (repayments of) borrowing	(114,099)	(112,137)
Capital activities:		
Acquisition of tangible capital assets	(2,309,386)	(1,978,565)
Increase in cash and cash equivalents	1,530,575	1,249,677
Cash and cash equivalents, beginning of year	10,505,387	9,255,710
Cash and cash equivalents, end of year	\$12,035,962	\$10,505,387

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

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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

For the year ended December 31, 2023 with comparative information for 2022

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 included in deferred revenue.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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, asset retirement obligations, 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) Financial Instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value. At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made such an election during the year.

The District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

1. Significant Accounting Policies: (Continued)

(m) Adoption of new accounting policies:

PS 3280 Asset Retirement Obligations

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements.

Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset with certain criteria are met.

The application of the new standard resulted in an asset retirement obligation being recorded in the financial statement due to the presence of asbestos and a legal obligation to remove the asbestos. The new standards have been applied prospectively to these financial statements.

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 of debtors to meet contractual obligations. The District is exposed to credit risk, typically due to difficulty in collecting receivables. As at December 31, 2023, the amount of accounts receivable was \$917,953 (2022 - \$401,425), of which \$520,024 is the federal grants to be received in January 2024 and \$217,779 is utility user fees. The District's utility billing date is mid-December, with payment due in 30 days. 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 them to property taxes and initiating a tax sale process to mitigate the credit risk.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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, investing with MFA's Pooled High Interest Savings Account 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 policy interest rate ranged from 4.5% to 5% in 2023.

The District's investment income increased from \$297,832 in 2022 to \$734,719 in 2023. Meantime, the District had accumulated remeasurement losses have decreased to (\$94,354) in 2023 from (\$134,117) in 2022 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.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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.

	2023	2022
Cash	\$ 12,035,962	\$ 10,505,387
Investments	6,460,999	4,265,473
	\$ 18,496,961	\$ 14,770,860

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, 2023, the Canadian bank prime rate was 7.20%. The District invested \$1,950,735 with MFA Pooled High Interest Savings Account in December 2023 at a rate of return of 5.55%.

Investments consist of investments in the Municipal Finance Authority of BC money market fund, mortgage fund and bond funds. Investments have yields ranging from 4.007% to 6.501%.

Included in cash and investments are the following restricted amounts:

	2023	2022
Statutory reserves (Note 9)	\$ 10,205,497	\$ 6,734,029
Restricted investments – development cost charges	2,521,244	1,862,545
	\$ 12,726,741	\$ 8,596,574

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

4. Deferred Revenue:

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

	2022	Receipts	Interest Earned	Revenue Recognized	2023
Community Works (Gas Tax)	\$1,825,439	\$ 226,338	\$ 83,595	\$ (664,887)	\$ 1,470,485
Development Cost Charges – Water	714,446	222,152	32,71	(285,581)	683,734
Development Cost Charges - Sewer	445,333	135,811	20,394		601,538
Development Cost Charges - Drainage	460,112	46,717	21,070		527,899
Development Cost Charges – Highway	168,544	63,512	7,718		239,774
Development Cost Charges – Parkland	74,109	390,796	3,394		468,299
Other Deferred Revenue	281,774	23,650		(1,265)	304,159
	\$ 3,969,758	\$ 1,086,476	\$ 168,888	\$ (951,733)	\$ 4,295,888

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, 2023, The District had utilized \$664,887 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:

	2023	2022
Other Deferred Revenue – Opening Balance	\$ 281,774	\$ 321,174
Adjust for:		
First Nations Agreement	(465)	-
Refund Cash in Lieu of Parkland	-	(35,200)
Business Licence Revenue	350	(4,200)
Next Generation 911	22,500	-
Other Deferred Revenue – Closing Balance	\$ 304,159	\$ 281,774

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

5. Employee Future Benefit Obligations:

Employee benefit obligations represent accrued benefits as follows:

	2023	2022
Vacation payable	\$ 59,781	\$ 77,871
Accrued sick leave	137,796	179,494
	\$ 197,577	\$ 257,365

Accrued vacation is the amount of vacation entitlement carried forward into the next year. Employee benefit obligations also include accumulated sick leave banks that may be drawn down in future years. These sick leave entitlements may only be used while employed by the District and are paid out on retirement under certain conditions.

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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 any unfunded actuarial liability.

The most recent actuarial valuation for 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 \$99,191 (2022 - \$109,123) for employer contributions, while employees contributed \$91,733 (2022 - \$105,020) to the Plan in fiscal 2023.

The next valuation will be as at December 31, 2024.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

5. Employee Future Benefit Obligations: (Continued)

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 individual employers participating in the plan.

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.

	2023	2022
Total outstanding debt – beginning of year	\$ 4,077,655	\$ 4,189,792
Proceeds from long-term borrowing	-	-
Reduction of long-term debt	114,099	112,137
Total outstanding debt – end of year	\$ 3,963,556	\$ 4,077,655

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

	Payment
2024	\$ 149,338
2025	149,338
2026	149,338
2027	149,338
2028	149,338
Total	\$ 746,690

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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

Bylaw #	MFA Issue #	Interest Rate	Year Matures	Balance 2023	Balance 2022
Sewer Fund – Sewer Phase 3					
Reginal District Bylaw 1811					
	152	0.91%	2050	\$ 3,963,556	\$ 4,077,655
				\$ 3,963,556	\$ 4,077,655

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, 2023, the District's MFA DRF balance is:

	DRF Cash	DRF Demand Note
MFA Debt Reserve Fund	46,317	\$ 31,669

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

7. Asset Retirement Obligation:

Remediation Assets with Asbestos

The District owns assets that are known to have asbestos and lead paint, which represents a health hazard upon demolition of the asset. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of PS3280 ARO, the District recognized an obligation of \$37,790 relating to the removal of the hazardous materials in these assets as estimated in December 2023. It is highly likely that this ARO asset will be removed in a short period of time. Therefore, Net Present Value method is not used to estimate the ARO asset and liability as the time value of money is negligible.

Well Decommissioning Obligation

The Groundwater Protection Regulation provides specific guidelines for decommissioning wells which give rise to a retirement obligation. The District must recognize an asset retirement obligation related to ten wells owned by Lantzville that will be required to be decommissioned at the end of life. This resulted in an increase of \$75,000 to retirement liability. These wells were previously unrecognized and as a result the corresponding amount was recognized as amortization expense.

The transition and recognition of ARO involved an accompanying increase in the liability of Parks and Water Fund capital assets. Estimated costs totaling \$112,790 have been added to ARO asset value. The increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets.

	2023	2022
Opening asset retirement obligations	\$ -	-
Initial recognition of expected discounted cash flows	112,790	-
Increase due to accretion	-	-
Closing asset retirement obligation	\$ 112,790	-

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

8. Tangible Capital Assets (Schedule A):

(a) Assets under construction:

Assets under construction having a value of \$291,738 (2022 - \$397,108) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is nil (2022 - \$1,781,000).

(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

For the year ended December 31, 2023 with comparative information for 2022

9. Accumulated Surplus:

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

	2023	2022
Equity in Tangible Capital Assets	\$ 63,755,945	\$ 62,787,052
Operating Fund	2,359,751	2,104,492
Statutory Reserve Funds	10,205,497	6,734,029
Accumulated remeasurement gains and losses	(94,354)	(134,117)
	\$ 76,226,839	\$ 71,491,456

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 March 22, 2023. 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:

	2023
Annual Budgeted Surplus – Statement of Operations	\$ 6,338,371
Adjust for:	
Capital expenditures	(11,898,371)
Proceeds from borrowing	3,223,000
Debt principal payments	(110,200)
Transfer from reserves	1,301,000
Transfer from accumulated surplus	312,600
Internal borrowing repayment	(97,400)
Amortization	931,000
Net Annual Budget – as approved by Council	\$ -

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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.

	2023	2022
Taxes:		
Property / parcel taxes	\$ 8,892,604	\$ 8,320,133
Payments in lieu of taxes	36,469	35,693
1% utility taxes	61,226	57,791
	8,990,299	8,413,617
Less taxes levied for other authorities:		
School District	2,944,074	2,698,331
Policing	369,065	291,150
Regional Hospital District	740,567	571,050
Regional District of Nanaimo	1,100,740	1,032,659
BC Assessment Authority	73,063	67,008
Municipal Finance Authority	419	365
	5,227,928	4,660,563
Net taxes available for municipal purposes	\$ 3,762,371	\$ 3,753,054

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

12. Grants and Government Transfers:

	2023	2022
Operating transfers from provincial government:		
Climate Action Program Grant	\$ 67,082	\$ 67,082
New Building Canada Fund – Small Communities Fund	456,000	580,000
Growing Communities Fund Grant	1,910,000	
Capital transfers from federal government:		
Canada Community Revitalization Fund	448,877	32,115
Federal Gas Tax	664,887	123,543
Investing in Canada Infrastructure Program	71,148	
Other contributions:		
Capital		
Other		12,446
	\$ 3,617,994	\$ 815,186

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:

	2023	2022
Balance forward, December 31	\$ 425,734	\$ 754,950
Eligible costs incurred:		
Information technology requirements	(19,189)	(138,709)
Facility safety improvements	(41,955)	(40,986)
Wages & benefits	(88,519)	(41,858)
Reserve fund contributions	-	(126,574)
Interest earned	19,496	18,911
Balance, December 31, 2023 (Included in Operating Reserves)	\$ 295,567	\$ 425,734

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

12. Grants and Government Transfers: (Continued)

Growing Communities Fund

The Province provided \$1.91 million Growing Communities Fund (GCF) to the District. GCF funds support local government to deliver infrastructure projects necessary to enable community growth and address infrastructure and amenities demands – such as recreation facilities, parks, and water-treatment plants, as well as other community infrastructure.

The District will report annually about how GCF grants were spent to ensure transparency regarding the use of those funds. The following outlines the interest earned during 2023 with no amount expended from the GCF reserve fund over the fiscal year of 2023.

	2023	2022
Balance forward, December 31	\$ -	\$ -
Growing Communities Fund Received	1,910,000	-
Interest earned	57,551	-
Eligible costs incurred:	-	-
Balance, December 31, 2023	\$ 1,967,551	\$ -

13. Expenses 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.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

13. Expenses by Object and Segment: (Continued)

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.

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.

District of Lantzville

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2023 with comparative information for 2022

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.

SCHEDULE A - TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2023

	<div>Infrastructure</div>										
	Land	Land Improvements	Buildings	Vehicles	Equipment	Roads	Sewer	Water	Assets Under Construction	2023	2022
HISTORICAL COST:											
Opening Balance	\$ 20,511,385	\$ 1,932,138	\$ 2,093,153	\$ 2,600,880	\$ 751,771	\$18,178,605	\$17,035,398	\$16,862,080	\$ 397,108	\$80,362,518	\$76,649,736
Additions	5,304	52,321	-	62,709	73,201	1,263,581	31,892	634,880	185,498	2,309,386	3,759,565
Additions due to ARO		37,790						75,000		112,790	
Disposal	-	-	-	(216,173)	-	-	-	-	(96,490)	(312,663)	(46,775)
Transfers		-	-			51,499		142,880	(194,379)	-	-
Closing Balance, Dec 31	\$20,516,689	\$2,022,249	\$2,093,153	\$2,447,416	\$824,972	\$19,493,685	\$17,067,290	\$17,714,840	\$291,738	\$82,472,032	\$80,362,526
ACCUMULATED AMORTIZATION:											
Opening Balance	-	567,428	1,167,241	959,906	387,614	6,035,013	1,596,472	2,784,143	-	13,497,820	12,359,874
Amortization Expense	-	66,274	45,358	118,994	86,666	512,385	192,751	309,670	-	1,315,689	1,137,946
Disposal	-	-	-	(190,173)	-	-	-	-	-	(190,173)	
Closing Balance, Dec 31	-	633,702	1,212,599	888,727	474,280	6,547,398	1,789,223	3,093,813	-	14,639,741	13,497,820
NET BOOK VALUE	\$ 20,516,689	\$ 1,388,547	\$ 880,554	\$ 1,558,689	\$ 350,692	\$ 12,946,287	\$ 15,278,067	\$ 14,621,027	\$ 291,738	\$ 67,832,291	\$ 66,864,706

SCHEDULE B - RESERVE FUNDS (UNAUDITED)

For the year ended December 31, 2023

	GENERAL FUND										
	Operating Reserve	Capital Works	Facilities Lifecycle	Asset Replacement	Fire Truck	Parks Development	Parks Acquisition	Community Amenity Contributions	One Time Project	Local Gov't Climate Action	Growing Communities Fund
Opening Balance	\$ 575,348	\$ 1,437,084	\$ 1,599,500	\$ 248,825	\$ 403,282	\$ 17,917	\$ 95,859	\$ 159,300	\$ 50,000	-	-
Transfers in	-	702,500	132,100	107,000	108,200	-	22,500	-	50,000	134,164	1,910,000
Interest earned	26,347	49,061	73,248	11,395	18,468	820	4,390	7,295	2,290	-	57,551
Transfers out	(149,663)	(167,931)	-	(101,885)	(39,300)	(14,219)	(5,304)	-	(643)	-	-
Closing Balance	\$ 452,031	\$ 2,020,714	\$ 1,804,848	\$ 265,335	\$ 490,650	\$ 4,518	\$ 117,445	\$ 166,595	\$101,647	134,164	1,967,551

	SEWER FUND		WATER FUND		2023	2022
	Asset Replacement	Debt Repayment	Asset Replacement	Water Expansion		
Opening Balance	\$ 541,141	\$ 422,566	\$ 1,718,555	\$ 40,000	\$ 7,309,377	\$ 7,265,460
Transfers in	175,967	-	507,403	9,700	3,859,534	1,841,847
Interest earned	24,781	19,351	96,479	1,832	393,308	181,989
Transfers out	(31,892)	-	(393,854)	-	(904,691)	(1,979,919)
Closing Balance	\$ 709,997	\$ 441,917	\$ 1,928,583	\$ 51,532	\$10,657,528	\$ 7,309,377

SCHEDULE C - 2023 STATUTORY SEGMENT DISCLOSURES

For the year ended December 31, 2023

	General Government Services	Transportation	Protective Services	Bylaw Enforcement	Solid Waste Collection	Recreational and Cultural Services	Community Development Services	Building Inspection	Sewer	Water	2023	2023 Financial Plan
Revenue												
Taxation	3,193,566	-	-	-	-	-	-	-	197,481	371,324	3,762,371	3,757,700
Sales and services	-	-	-	-	271,900	250	60,323	107,250	455,809	728,524	1,624,056	1,423,400
Grants and government transfers	3,546,846	-	-	-	-	-	-	-	-	71,147	3,617,994	475,400
Investment Income	713,728	-	-	-	-	-	-	-	21,861	-	735,589	82,300
Penalties and fines	42,320	-	-	-	4,616	-	-	-	6,972	10,746	64,653	24,300
Development charges earned	-	-	-	-	-	-	285,581	-	-	-	285,581	-
Contributions from developers and others	126,269	-	4,045	-	-	1,538	-	-	-	-	131,852	200,000
Other revenue from own sources	91,352	-	62,179	-	-	-	-	-	-	345	153,875	37,700
Revenue Total	7,714,081	-	66,224	-	276,515	1,788	345,905	107,250	682,123	1,182,086	10,375,971	6,000,800
Expense												
Salaries, wages and benefits	1,088,461	127,428	251,521	-	-	183,128	204,805	33,125	56,026	240,731	2,185,225	2,245,600
Materials & Supplies	119,734	134,138	127,769	54	-	32,502	-	65	27,379	62,403	504,044	257,300
Contracted Services	279,207	275,675	154,442	81,969	251,462	-	14,676	58,716	-	-	1,116,146	1,193,100
Other	147,490	77,711	61,723	-	-	22,438	10,392	-	24,597	159,357	503,709	962,400
Amortization	145,939	592,187	91,550	-	-	-	-	-	192,751	309,670	1,332,097	931,000
Debt Servicing	-	-	-	-	-	-	-	-	39,130	-	39,130	39,100
Expense Total	1,780,831	1,207,138	687,005	82,023	251,462	238,068	229,873	91,906	339,883	772,161	5,680,351	5,628,500
Surplus/(deficit)	5,933,249	(1,207,138)	(620,782)	(82,023)	25,054	(236,280)	116,032	15,344	342,240	409,925	4,695,619	372,300

SCHEDULE C – 2022 STATUTORY SEGMENT DISCLOSURES

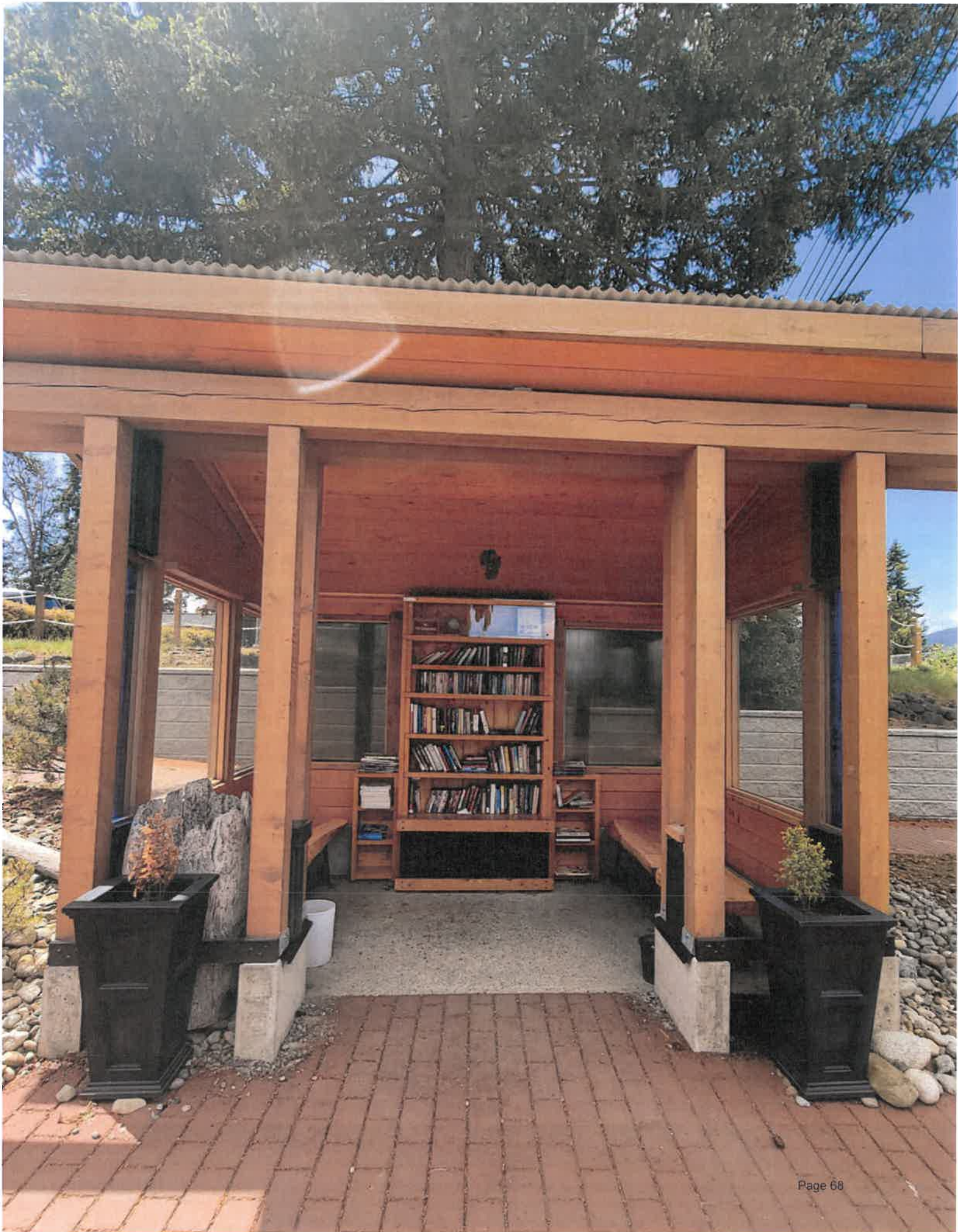
For the year ended December 31, 2022

	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



STATISTICS SECTION

(UNAUDITED)



DEMOGRAPHICS

POPULATION

OF LANTZVILLE 2018-2022

	2019	2020	2021	2022	2023
Total Population Estimates	3,842	3,892	3,938	4,055	4,197
% Change from Prior Year	0.3%	1.3%	1.2%	3.0%	3.5%

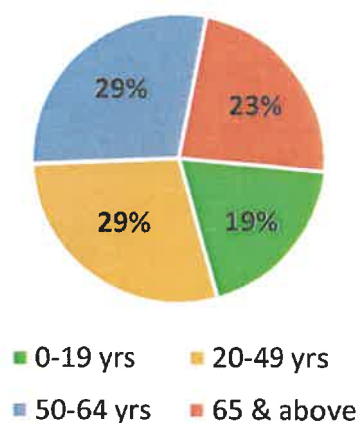
Source: BC Statistics per <https://www2.gov.bc.ca/gov/content/data/statistics/people-population-community/population/population-estimates>

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

Age Ranges



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

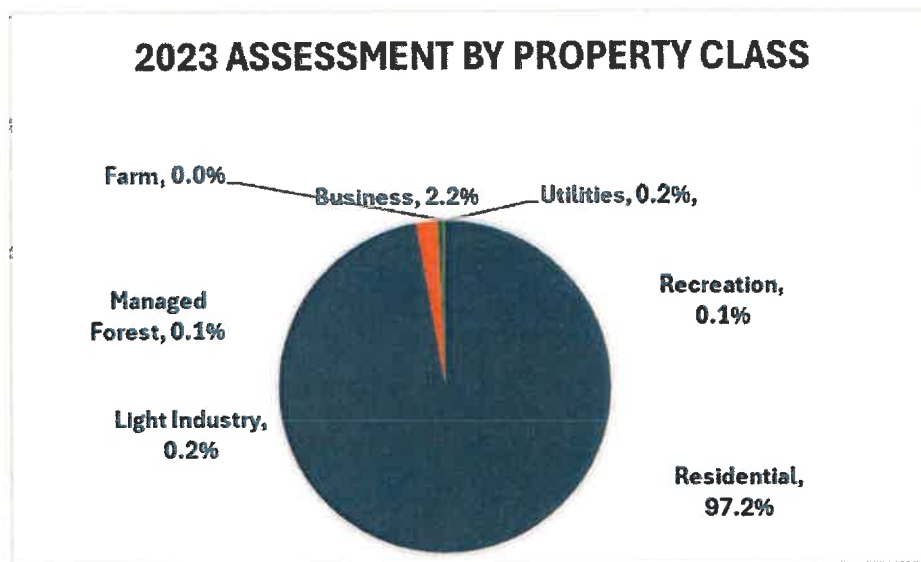
Note: 2022 totals differ due to differences in methodologies between BC Statistics population estimates versus Statistics Canada Census.

ASSESSMENT VALUES BY PROPERTY CLASS

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

Property Class	2019	2020	2021	2022	2023
Residential	1,153,348	1,160,662	1,241,265	1,701,823	1,954,462
Business	26,065	29,242	29,442	36,128	43,418
Light Industry	2,047	2,298	2,423	2,854	3,682
Managed Forest	1,865	1,936	1,876	1,703	1,966
Recreation	1,710	1,796	1,832	1,936	1,970
Utilities	2,193	2,239	2,355	4,357	4,670
Farm	109	113	113	113	130
	1,187,337	1,198,286	1,279,306	1,748,914	2,010,299

Source: BC Assessment



TAX REVENUE BY PROPERTY CLASS

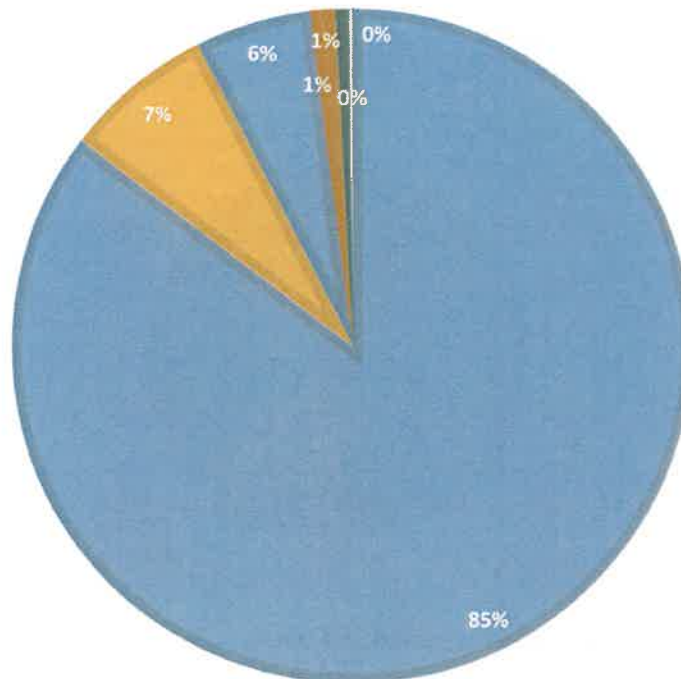
TAX REVENUE BY PROPERTY CLASS 2019-2023

Property Class	2019	2020	2021	2022	2023
Residential	1,639,182	1,957,000	2,120,152	2,589,380	2,619,957
Business	148,175	197,213	188,581	226,140	218,259
Utilities	79,625	81,928	86,305	160,876	169,037
Light Industry	20,369	27,117	28,966	34,645	34,550
Managed Forest	9,940	12,240	25,635	28,309	21,083
Recreation	4,253	5,299	5,476	6,709	4,621
Farm	201	249	252	301	226
	<u>1,901,745</u>	<u>2,281,046</u>	<u>2,455,367</u>	<u>3,046,360</u>	<u>3,067,733</u>

Source: District of Lantzville Financial Services Department

2023 TAX REVENUE BY PROPERTY CLASS

■ Residential ■ Business ■ Utilities ■ Light Industry ■ Managed Forest ■ Recreation ■ Farm

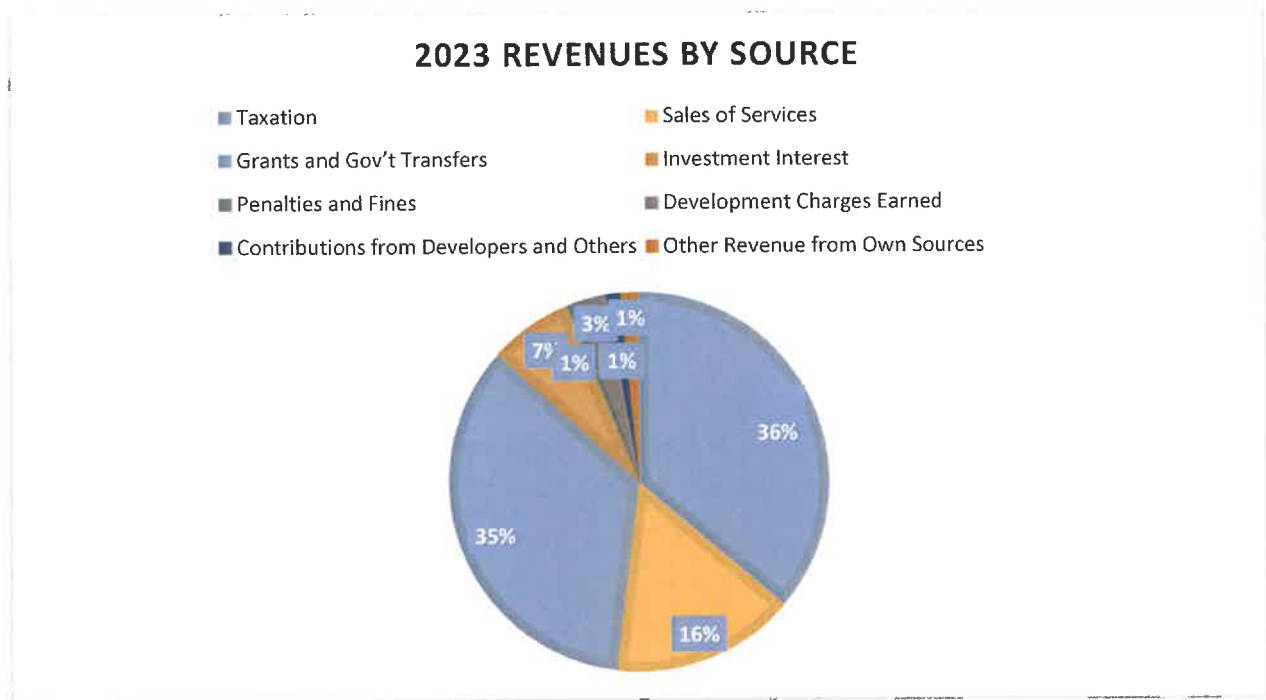


REVENUES BY SOURCE

REVENUES BY SOURCE 2019-2023

	2019	2020	2021	2022	2023
Taxation	2,407,064	2,779,505	2,954,176	3,753,054	3,762,371
Sales of Services	857,757	1,153,600	1,928,497	1,587,074	1,624,056
Grants and Gov't Transfers	845,750	5,858,507	1,533,748	815,186	3,617,994
Investment Interest	226,333	128,063	106,281	297,832	735,589
Penalties and Fines	29,220	25,279	42,087	47,203	64,653
Development Charges Earned	-	267,966	372,575	330,938	285,581
Contributions from Developers and Others	16,067,306	-	4,044,470	1,968,000	131,852
Other Revenue from Own Sources	213,899	278,062	167,472	42,308	153,875
	20,647,329	10,490,982	11,149,306	8,841,594	10,375,971

Developers didn't contribute any land or tangible capital assets in 2023. 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	2019	2020	2021	2022	2023
General Government Services	1,194,057	1,331,537	1,583,619	1,460,652	1,780,831
Transportation Services	913,049	914,164	1,069,925	1,172,638	1,207,138
Protective Services	519,631	569,738	607,277	545,537	687,005
Solid Waste Collection	203,786	213,469	248,121	205,613	251,462
Recreation & Cultural Services	185,310	184,145	195,751	251,363	238,068
Community Development Services	180,673	299,608	400,686	400,686	403,802
Sewer	264,060	292,930	412,287	468,162	339,883
Water	462,440	511,373	565,938	826,152	772,161
	3,923,006	4,316,964	4,517,666	5,375,853	5,680,351

Certain comparative figures have been reclassified to conform with presentation adopted in the 2023 Financial Statements.

Source: District of Lantzville Financial Services Department

EXPENSES BY OBJECT 2019-2023

	2019	2020	2021	2022	2023
Salaries, Wages and Benefits	1,453,554	1,709,018	1,967,568	2,086,744	2,185,225
Materials and Supplies	439,817	543,131	586,780	562,813	504,044
Contracted Services	734,041	704,396	962,490	1,005,289	1,116,146
Other	405,703	434,481	556,874	583,061	542,839
Amortization	889,891	925,938	1,009,892	1,137,946	1,332,097
	3,923,006	4,316,964	5,083,604	5,375,853	5,680,351

Certain comparative figures have been reclassified to conform with presentation adopted in the 2023 Financial Statements.

Source: District of Lantzville Financial Services Department

SURPLUS/(DEFICIT)

ANNUAL SURPLUS/(DEFICIT) 2019-2023

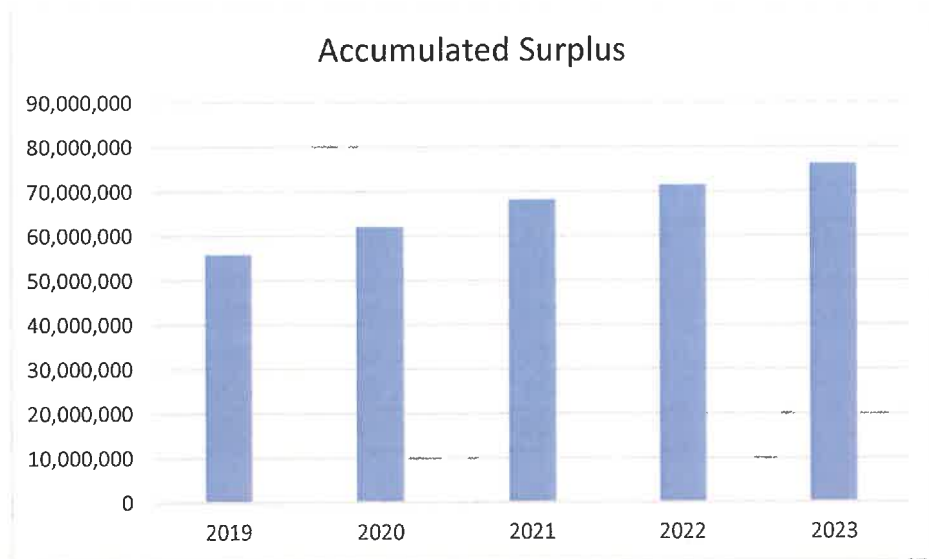
	2019	2020	2021	2022	2023
Annual Surplus/(Deficit)	16,724,323	6,174,018	6,065,702	3,465,741	4,695,619

Source: District of Lantzville Financial Services Department

ACCUMULATED SURPLUS 2019-2023

	2019	2020	2021	2022	2023
Accumulated Surplus	55,920,112	62,094,130	68,159,832	71,491,456	76,226,839

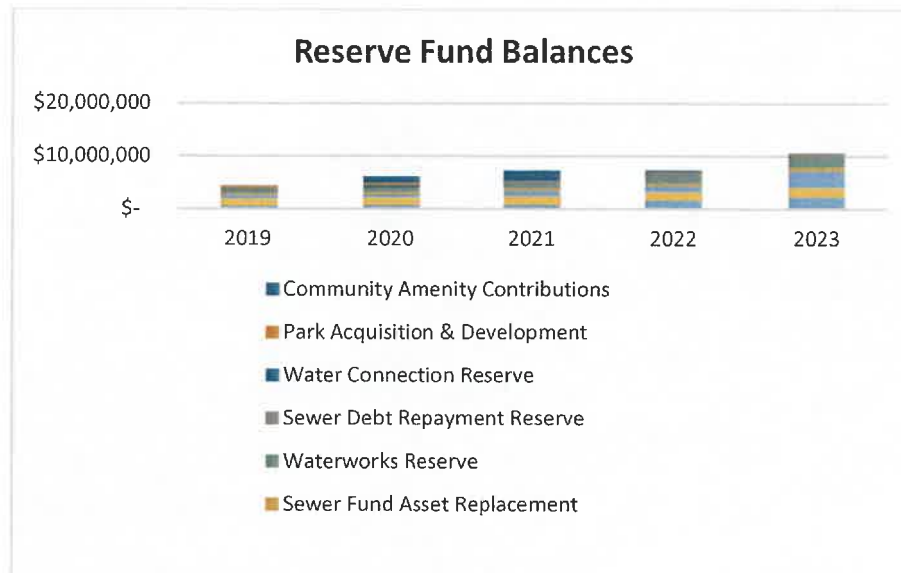
Source: District of Lantzville Financial Services Department



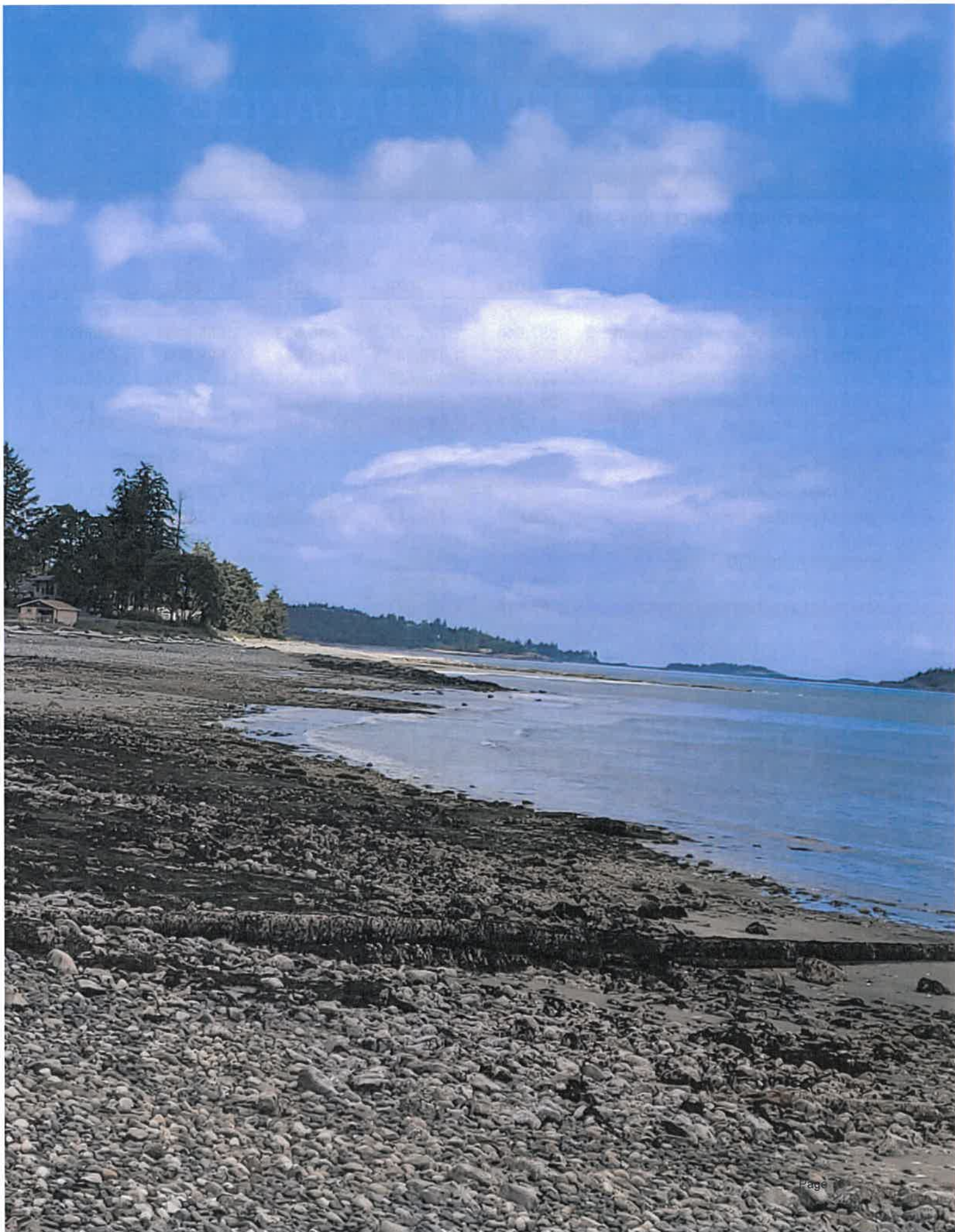
RESERVE FUND BALANCES

RESERVE FUND BALANCES 2019-2023

	2019	2020	2021	2022	2023
<u>Asset Reserves</u>					
Roads & Infrastructure Replacement	532,844	705,425	840,653	1,685,909	2,286,049
Facilities Life Cycle Replacement	1,359,088	1,379,340	1,525,674	1,599,500	1,804,848
General Asset Replacement	627,579	606,618	1,098,866	1,028,630	3,146,043
Sewer Fund Asset Replacement	363,142	406,316	456,149	541,141	709,997
Waterworks Reserve	843,868	947,074	1,049,642	1,718,555	1,928,583
<u>Utilities Reserves</u>					
Sewer Debt Repayment Reserve	-	-	389,486	422,566	441,918
Water Connection Reserve	76,859	326,223	897,166	40,000	51,532
<u>Developer Funded Reserves</u>					
Park Acquisition & Development	483,217	499,808	90,427	113,776	121,963
Community Amenity Contributions	63,418	1,317,677	917,395	159,300	166,595
	4,350,015	6,188,481	7,265,458	7,309,377	10,657,528



Source: District of Lantzville Financial Services Department



ASSETS & NEW CONSTRUCTION

ACQUISITION OF TANGIBLE CAPITAL ASSETS (TCA) 2018-2022

	2019	2020	2021	2022	2023
Acquisition of TCA	17,780,610	7,968,024	17,269,279	3,712,790	2,109,513

The total TCA that were contributed to the District during fiscal 2023 was zero.

Source: District of Lantzville Financial Services Department

NET FINANCIAL ASSETS 2018-2022

	2019	2020	2021	2022	2023
Net Financial Assets	4,993,727	3,998,110	3,823,074	4,589,327	8,351,350

Source: District of Lantzville Financial Services Department

NEW CONSTRUCTION 2019-2023

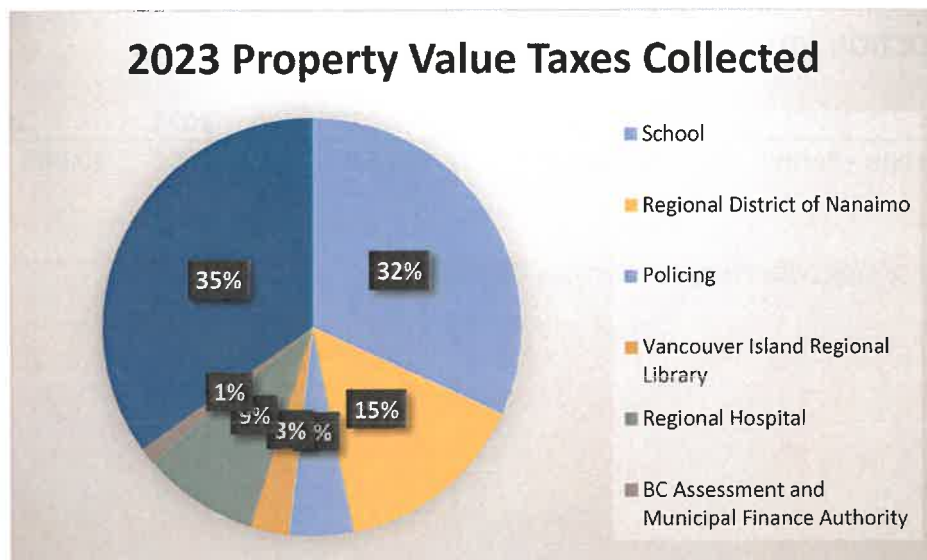
	2019	2020	2021	2022	2023
New Construction - Permit Values	17,585,807	22,676,545	22,423,000	40,080,380	21,442,080

Source: District of Lantzville Financial Services Department

OTHER STATISTICS

TOTAL TAXES COLLECTED FOR OTHER AGENCIES 2019-2023

	2019	2020	2021	2022	2023
School	2,157,969	2,149,878	2,349,625	2,724,750	2,391,745
Regional District Nanaimo	749,855	875,060	805,962	1,032,659	1,077,086
Policing	250,952	267,399	283,761	291,150	343,275
Vancouver Island Regional Library	193,190	212,535	224,963	221,880	213,818
Regional Hospital	203,126	203,247	273,916	570,201	686,355
BC Assessment	50,468	55,455	57,231	66,930	65,319
Municipal Finance Authority	249	252	268	365	419
	3,605,809	3,763,826	3,995,726	4,907,935	4,778,017



PROPERTY TAXES AVAILABLE FOR MUNICIPAL PURPOSES 2019-2023

	2019	2020	2021	2022	2023
Net Taxes for Municipal Purposes	2,600,254	2,779,505	2,954,176	3,753,054	3,753,054

Source: District of Lantzville Financial Services Department

OTHER STATISTICS

TOP 10 PRINCIPAL CORPORATE TAXPAYERS FOR 2023

Registered Owner	2023 Municipal Taxes Levied
Jim Pattison Developments Ltd	42,567
Datco Holdings Ltd	30,649
Guy, Christopher J	29,555
Hogler Enterprises Ltd	29,209
Lantzville Village Hold Co Ltd	22,471
Skyland Developments Ltd	22,274
Le, Thanh N	22,114
EPCN Holdings Inc	19,511
Clark Reefer Lines Ltd	19,246
679048 BC Ltd	18,924
Total Tax Contribution from Top 10 Corporate Taxpayers	\$256,520
Total Municipal Tax for general purposes	\$3,762,371

DEBENTURE DEBT

	Amount of Issue			
	Authorized	Unissued And Unsold	2022 Outstanding	2023 Outstanding
Sanitary Sewer – Phase 3	4,300,000	-	4,077,655	3,963,556
Total Debenture Debt	4,300,000	-	4,077,655	3,963,556

The amount of interest paid during fiscal 2023 is \$39,130.00.

	2019	2020	2021	2022	2023
Total Longer Term Debt	-	4,300,000	4,189,792	4,077,655	3,963,556
Total Population Estimates	3,806	3,805	3,843	3,886	3,969
Total Debt per Capita	-	-	1,090	1,049	998

Source: District of Lantzville Financial Services



OTHER INFORMATION



DISTRICT OF LANTZVILLE

REPORT ON PERMISSIVE TAX EXEMPTIONS

2023 PERMISSIVE TAX EXEMPTIONS

Amount of Municipal Property Taxes that would have been imposed if no tax exemption 2023

Roll #	Civic Address	Owner	Lessee - Occupant	2023 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	1,416,100	1,560
350 07945.100	7244 Lantzville Road (Community Use Building B)	District of Lantzville	Seaside Community Society	619,600	1,620
350 07906.500	7225 Lantzville Road	Seaview Centennial Branch #257 of the Royal Canadian Legion		845,000	3,980
350 07919.500	7232 Lantzville Road (Community Use Building A)	District of Lantzville	Seaside Community Society	1,234,000	3,510
351 19458.008	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	139,200	4,134
350 19459.009	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	24,100	716
350 19459.012	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	17,200	511
350 19459.014	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	127,000	3,772
350 19459.017	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	125,000	3,712
350 19459.018	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	170,000	5,049
350 19459.019	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	169,000	5,019
350 19460.003	Railways within District boundaries	Island Corridor Foundation	Island Corridor Foundation	38,300	1,137
					\$ 34,720

2023 ANNUAL MUNICIPAL REPORT

DECLARATION OF DISQUALIFICATION FROM OFFICE

NIL REPORT

June 26, 2024

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



Delcy Wells
Director of Corporate Administration





District of Lantzville
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Lantzville, BC V0R 2H0
lantzville.ca

