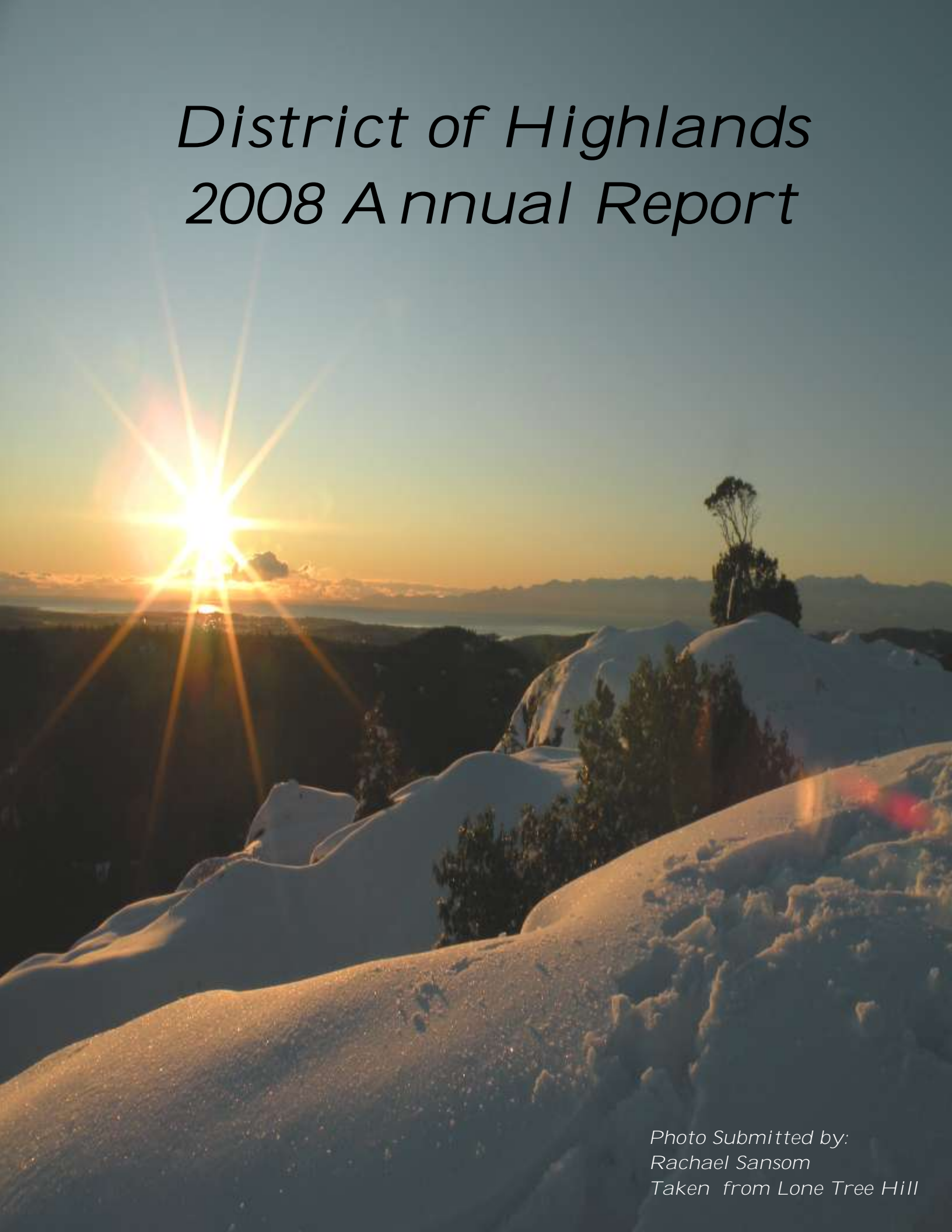


District of Highlands 2008 Annual Report



*Photo Submitted by:
Rachael Sansom
Taken from Lone Tree Hill*

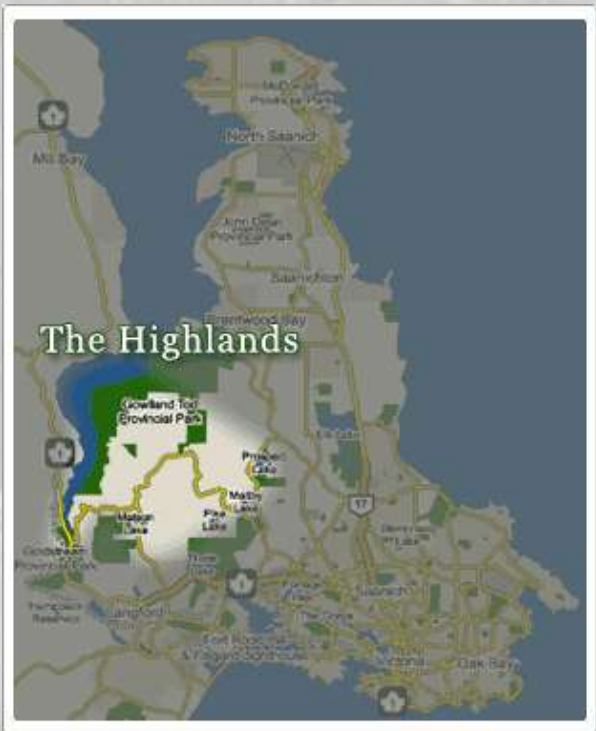


DISTRICT OF HIGHLANDS 2008 ANNUAL REPORT

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1. DISTRICT OF HIGHLANDS



The Highlands is a primarily residential community, rural in nature, and blessed with an exceptional abundance of scenic beauty, native plant and animal life, and public parkland. Those of us who live here place high value on the natural environment and our rural lifestyle. Highlanders are actively involved in the community, which fosters a spirit that is both self-reliant and cooperative.

A stunningly beautiful rural residential area, the Highlands is just northwest of Victoria British Columbia Canada. More than one-third of the Highlands is protected as municipal, regional, and provincial parkland. Highlanders take great pride in the stewardship of our environment by ensuring that new developments include conservation covenants limiting human encroachment. We're proud of our volunteers and community involvement.

Figure 4¹
Selected Demographic Variables, Canada Census

Highlands Population in 2001.....1,674 CRD Population in 2001 .. 325,754
Highlands Population in 1996.....1,423 CRD Population in 1996 .. 317,989
Highlands Total Dwellings 2001.....620 CRD Total Dwellings 2001 151,461

Census variables, 2001	Highlands	Capital Re- gion
Lived at same address 5 years in 1996	61%	53%
Median age of residents	39.5	41.4
Age 19 or younger	27%	21%
Canadian-born	91%	80%
Households containing a couple with children at home	39%	22%
Visible minority residents	2%	9%
Median (couple) family income	\$75,821	\$63,729
Worked at home	11%	10%
Owned dwellings	89%	64%
Dwellings built before 1991	67%	86%

¹ 2007 Official Community Plan

2006 census population = 1903 (Highlands)

2. LONG TERM VISION STATEMENT²

Residents have been clear about what is important to them and there are a number of common perspectives. The following VISION STATEMENT captures shared sentiments and sets a direction for the future.

The Highlands is a primarily residential community, rural in nature, and blessed with an exceptional abundance of scenic beauty, native plant and animal life, and public parkland. Those of us who live here place high value on the natural environment and our rural lifestyle. Highlanders are actively involved in the community, which fosters a spirit that is both self-reliant and cooperative.

The Highlands will strive to diversify its economy while preserving our natural systems, including the aquifers on which we depend so heavily. Land use decisions will be guided by a community plan, with the ongoing involvement of residents.

As stewards of our unique natural environment, we will protect its integrity. We will retain sufficient lands in their natural state to permit a diversity of plant and animal life to flourish and to ensure that the rural lifestyle we enjoy today can be experienced by future generations. We believe in the value of open and green space, trail systems, and outdoor recreational opportunities, both to enhance life in the Highlands and to contribute to the well-being of southern Vancouver Island as a whole.

We will provide for an adequate tax base, including light industrial, related commercial and nature-related recreational uses in some areas of the Highlands, in order to support basic, affordable municipal services and facilities. We will encourage alternative transportation choices, housing choices, and a community hall.

New development in the Highlands will be in keeping with the rural character of the community and carefully designed to protect sensitive environmental conditions. The pace of change should be gradual and the type of development should leave a small footprint on the land.

In order to move toward a future that is consistent with the VISION STATEMENT, the District of Highlands will strive to attain the following six goals:

Goal 1

To protect the natural environment.

Goal 2

To retain and strengthen the rural character of the Highlands.

Goal 3

To support economic diversification that is consistent with Highlands'
rural character and the natural environment.

Goal 4

To ensure the long-**term economic sustainability of the Highlands'**
community.

Goal 5

To provide basic, affordable public services and facilities.

Goal 6

To encourage involvement in a healthy rural community, including all
planning decisions.

3. *DISTRICT COUNCIL—Elected November 2008*

The current Mayor and Council were elected at the general election in November 2008. The Council assignments for 2009 are as follows:

Mayor Jane Mendum



Mayor Mendum is in her first term as Mayor and previously served three terms as Councillor. She currently serves as Director on the Capital Regional District Board, Hospital Board, Water Commission and Juan de Fuca Regional Water Supply Commission. Mayor Mendum also sits on the Capital Regional District Environment, and Planning and Transportation Committees, Chairs the Solid Waste Advisory Committee and is Ex-Officio to all Council Committees.



Councillor Allen Dobb

Councillor Dobb is in his first term as a Councillor. He currently serves as the **Council's representative to the Capital Regional District Arts Committee and the District of Highlands Sustainability Task Force.** Councillor Dobb is also the Alternate to the Treaty Advisory Committee.



Councillor Diane Gill

Councillor Gill is in her first term as a Councillor. She currently serves as the Council Liaison on the Community Infrastructure and Services and Council representative on the Capital Regional District Solid Waste Advisory Committee. Councillor Gill is also the Alternate to the District of Highlands Emergency Planning Committee.



Councillor Sigurd Johannesen

Councillor Johannesen is in his first term as Councillor. He currently serves as the Council representative on the District of Highlands Emergency Planning Committee, the Greater Victoria Family Court Committee and the Western Communities Policing Advisory Committee.

DISTRICT COUNCIL continued

Councillor Marcie McLean



Councillor McLean is in her first term as a Councillor. She currently serves as the Council representative to the Advisory Planning Commission and the Intermunicipal Advisory Committee on Disability Issues. Councillor McLean is also the Council Liaison to the Fiscal and Environmental Committee and the Community Centre Task Force, and the Alternate Council representative on the Greater Victoria Family Court Committee and Western Communities Policing Advisory Committee..

Councillor Karel Roessingh



Councillor Roessingh is in his first term as a Councillor and had previously served two terms as Mayor. He currently serves as the Council representative to the Greater Victoria Public Library, Ground Water Task Force and Capital Region Emergency Service Telecommunications (CREST). Councillor Roessingh also serves as the alternate Council representative for Capital Regional District Board and Hospital Board, and the Capital Region Water Commission.

Councillor Ken Williams



Councillor Williams is in his second term as a Councillor. He currently serves as the Council representative to the West Shore Parks and Recreation Society and the Treaty Advisory Committee. Councillor Williams also serves as Council alternate to the Capital Regional District Solid Waste Advisory, Juan de Fuca Water Commission and the Advisory Planning Commission.

4. *DISTRICT COUNCIL* *January to November 2008*

The following Mayor and Council were elected at the general election in November 2005, their term expired in November 2008.

Mayor Mark Cardinal

Councillor Ken Brotherston

Councillor Andrew Fall

Councillor Joe Kadar

Councillor Michelle Mahovlich

Councillor Jane Mendum

Councillor Ken Williams

5. *FINANCIAL MANAGEMENT REPORT*

The Audited Financial Statements contained herein have been prepared by management in accordance with generally accepted accounting principles.

Financial Statements are not precise since they include certain amounts based on estimates or judgments. The integrity and objectivity of these **statements are management's responsibility.**

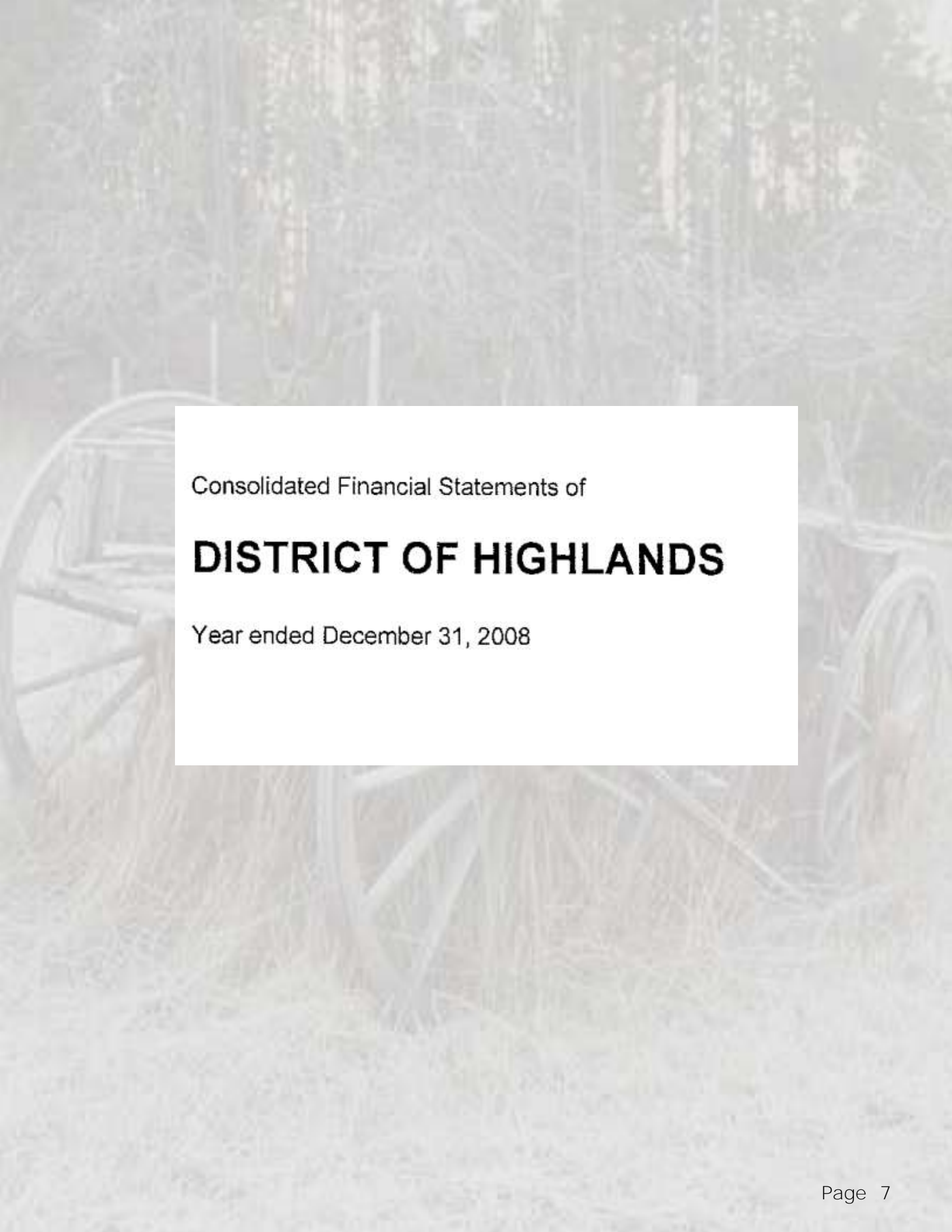
Management is also responsible for implementing and maintaining a system of internal controls to a high standard and consistent with reasonable cost. These systems are designed to provide reasonable assurance that the **financial information is relevant, reliable and accurate and that the District's** assets are properly accounted for and adequately safeguarded.

The District's auditors have the responsibility for assessing the management systems and practices for the District. KPMG LLP conducts an independent examination in accordance with generally accepted auditing standards, and express their opinion on the Financial Statements. The auditors have full and free access to the Council and meet with them on an annual basis.

On behalf of the District of Highlands.

C.D. Coates, Chief Financial Officer

June 2, 2009



Consolidated Financial Statements of

DISTRICT OF HIGHLANDS

Year ended December 31, 2008

DISTRICT OF HIGHLANDS

Municipal Council

2008

Mayor Jane Mendum

COUNCILLORS

Allen Dobb
Ken Williams
Diane Gill

Karel Roessingh
Marcie McLean
Sigurd Johannesen

~~~~~

## **OFFICIALS**

Administrator-Clerk/Treasurer

Christopher Coates

~~~~~

Auditors
Solicitors
Bankers
Police

KPMG LLP
Young, Anderson
Royal Bank of Canada
RCMP - Western Communities

~~~~~

The following consolidated financial statements are prepared in  
accordance with Section 167 of the Community Charter.

# **DISTRICT OF HIGHLANDS**

## **Consolidated Financial Statements**

Year ended December 31, 2008

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## FINANCIAL REPORTING RESPONSIBILITY

The accompanying consolidated statements of the District of Highlands (the "District") are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are consistent with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The consolidated financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The District's accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Municipal Council oversees management's responsibilities for the financial reporting and internal control systems. Council meets periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged and to review and accept the consolidated financial statements.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the District have examined these financial statements and issued their report that follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings.

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CAO-Treasurer



KPMG LLP  
Chartered Accountants  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7

Telephone (250) 480-2500  
Fax (250) 480-3539  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT TO THE MAYOR AND COUNCILLORS OF THE DISTRICT OF HIGHLANDS

We have audited the consolidated statement of financial position of the District of Highlands as at December 31, 2008 and the consolidated statements of financial activities and fund balances and changes in financial position and the statements of financial activities and fund balances of the operating funds, capital funds and reserve funds for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Victoria, Canada

April 9, 2009

# DISTRICT OF HIGHLANDS

## Consolidated Statement of Financial Position

## STATEMENT A

December 31, 2008, with comparative figures for 2007

|                                          | 2008                 | 2007                |
|------------------------------------------|----------------------|---------------------|
| <b>Financial Assets</b>                  |                      |                     |
| Cash                                     | \$ 1,219,940         | \$ 1,507,272        |
| Property taxes receivable                | 136,287              | 85,577              |
| Accounts receivable                      | 331,408              | 115,494             |
|                                          | <u>1,687,635</u>     | <u>1,708,343</u>    |
| <b>Liabilities</b>                       |                      |                     |
| Accounts payable and accrued liabilities | 403,572              | 323,567             |
| Deferred revenue (note 3)                | 136,494              | 233,410             |
| Security deposits                        | 18,050               | 125,715             |
| Long-term debt (note 4)                  | 527,938              | 562,494             |
|                                          | <u>1,086,054</u>     | <u>1,245,186</u>    |
| Net financial assets                     | 601,581              | 463,157             |
| Capital assets (note 5)                  | 9,805,544            | 9,144,561           |
| Net financial assets and capital assets  | <u>\$ 10,407,125</u> | <u>\$ 9,607,718</u> |
| <b>Municipal Position</b>                |                      |                     |
| Fund balances:                           |                      |                     |
| Operating Funds (Statement D)            | \$ 478,726           | \$ 323,003          |
| Capital Funds (Statement E)              | 48,833               | 48,833              |
| Reserve Funds (Statement F)              | 601,960              | 653,815             |
| Total fund balances                      | <u>1,129,519</u>     | <u>1,025,651</u>    |
| Equity in capital assets (note 6)        | 9,277,606            | 8,582,067           |
| Contingent liabilities (note 10)         |                      |                     |
| Total municipal position                 | <u>\$ 10,407,125</u> | <u>\$ 9,607,718</u> |

See accompanying notes to consolidated financial statements.

Treasurer



# DISTRICT OF HIGHLANDS

## Consolidated Statement of Financial Activities and Fund Balances

## STATEMENT B

Year ended December 31, 2008, with comparative figures for 2007

|                                                        | Actual<br>2008      | Budget<br>2008   | Actual<br>2007      |
|--------------------------------------------------------|---------------------|------------------|---------------------|
| <b>Revenue:</b>                                        |                     |                  |                     |
| Net taxes available for municipal purposes (note 7)    | \$ 1,225,565        | \$ 1,217,687     | \$ 1,197,493        |
| Government transfers (note 8)                          | 625,178             | 572,200          | 272,076             |
| Sales of services                                      | 191,672             | 414,240          | 179,343             |
| Licenses, permits and other                            | 161,036             | 103,400          | 137,805             |
| Investment income                                      | 35,508              | 30,988           | 48,064              |
| Donations and amenities                                | 220,335             | -                | 36,429              |
| Other income                                           | 77,935              | 12,200           | 99,049              |
| Debt principal reduced by actuarial adjustments        | 9,176               | -                | 7,531               |
|                                                        | <u>2,546,405</u>    | <u>2,350,715</u> | <u>1,977,790</u>    |
| <b>Expenditure (note 9):</b>                           |                     |                  |                     |
| General government services                            | 560,697             | 558,150          | 515,569             |
| Protective services                                    | 677,580             | 714,700          | 339,480             |
| Transportation services                                | 311,681             | 320,500          | 168,065             |
| Environmental health services                          | -                   | -                | 2,500               |
| Environmental development services                     | 165,115             | 174,400          | 114,702             |
| Recreation and cultural services                       | 692,908             | 746,586          | 414,827             |
|                                                        | <u>2,407,981</u>    | <u>2,514,336</u> | <u>1,555,143</u>    |
| <b>Excess (deficiency) of revenue over expenditure</b> | <b>138,424</b>      | <b>(163,621)</b> | <b>422,647</b>      |
| Debt principal repayment                               | (25,380)            | (25,379)         | (25,379)            |
| Debt principal reduced by actuarial adjustments        | (9,176)             | -                | (7,531)             |
|                                                        | <u>(34,556)</u>     | <u>(25,379)</u>  | <u>(32,910)</u>     |
| <b>Change in fund balances</b>                         | <b>103,868</b>      | <b>(189,000)</b> | <b>389,737</b>      |
| <b>Fund balances, beginning of year</b>                | <b>1,025,651</b>    |                  | <b>635,914</b>      |
| <b>Fund balances, end of year</b>                      | <b>\$ 1,129,519</b> |                  | <b>\$ 1,025,651</b> |

See accompanying notes to consolidated financial statements.

# DISTRICT OF HIGHLANDS

## Consolidated Statement of Changes in Financial Position

## STATEMENT C

Year ended December 31, 2008, with comparative figures for 2007

|                                                 | 2008         | 2007         |
|-------------------------------------------------|--------------|--------------|
| Cash provided by (used in):                     |              |              |
| Operating activities:                           |              |              |
| Excess of revenue over expenditure              | \$ 138,424   | \$ 422,647   |
| Add back non-cash item:                         |              |              |
| Debt principal reduced by actuarial adjustments | (9,176)      | (7,531)      |
| Decrease in non-cash net financial asset        | (391,200)    | 261,072      |
|                                                 | (261,952)    | 676,188      |
| Financing activities:                           |              |              |
| Debt principal repayment                        | (25,380)     | (25,379)     |
| Increase in cash                                | (287,332)    | 650,809      |
| Cash, beginning of year                         | 1,507,272    | 856,463      |
| Cash, end of year                               | \$ 1,219,940 | \$ 1,507,272 |

See accompanying notes to consolidated financial statements.

# DISTRICT OF HIGHLANDS

## Statement of Financial Activities and Fund Balances - Operating Funds

## STATEMENT D

Year ended December 31, 2008, with comparative figures for 2007

|                                                                                    | Actual<br>2008 | Budget<br>2008 | Actual<br>2007 |
|------------------------------------------------------------------------------------|----------------|----------------|----------------|
| Revenue:                                                                           |                |                |                |
| Net taxes available for municipal purposes (note 7)                                | \$ 1,225,565   | \$ 1,217,687   | \$ 1,197,493   |
| Government transfers                                                               | 503,784        | 422,200        | 272,076        |
| Sales of services                                                                  | 191,672        | 414,240        | 179,343        |
| Licenses, permits and other                                                        | 161,036        | 103,400        | 137,805        |
| Investment income                                                                  | 18,226         | 30,000         | 29,570         |
| Donations                                                                          | 54,556         | -              | 36,429         |
| Other income                                                                       | 77,660         | 12,200         | 99,049         |
| Debt principal reduced by actuarial adjustments                                    | 9,176          | -              | 7,531          |
|                                                                                    | 2,241,675      | 2,199,727      | 1,959,296      |
| Expenditure:                                                                       |                |                |                |
| General government services                                                        | 557,089        | 558,150        | 514,198        |
| Protective services                                                                | 320,870        | 344,700        | 277,381        |
| Transportation services                                                            | 203,680        | 180,500        | 150,020        |
| Environmental health services                                                      | -              | -              | 2,500          |
| Environmental development services                                                 | 165,115        | 174,400        | 114,702        |
| Recreational and cultural services                                                 | 432,248        | 444,179        | 396,483        |
|                                                                                    | 1,679,002      | 1,701,929      | 1,455,284      |
| Excess of revenue over expenditure                                                 | 562,673        | 497,798        | 504,012        |
| Net interfund transfers:                                                           |                |                |                |
| To Capital Funds                                                                   | (237,375)      | (229,419)      | (94,304)       |
| To Reserve Funds                                                                   | (135,019)      | -              | (241,950)      |
| Debt principal repayment                                                           | (25,380)       | (25,379)       | (25,379)       |
| Debt principal reduced by actuarial adjustments                                    | (9,176)        | -              | (7,531)        |
|                                                                                    | (406,950)      | (254,798)      | (369,164)      |
| Change in Operating Funds                                                          | 155,723        | 243,000        | 134,848        |
| Operating Funds, beginning of year                                                 | 323,003        |                | 188,155        |
| Operating Funds, end of year                                                       | \$ 478,726     |                | \$ 323,003     |
| Unappropriated balance                                                             | \$ 436,600     |                | \$ 276,885     |
| Appropriated surplus for West Shore Parks<br>and Recreation Society's expenditures | 42,126         |                | 46,118         |
|                                                                                    | \$ 478,726     |                | \$ 323,003     |

See accompanying notes to consolidated financial statements.



# DISTRICT OF HIGHLANDS

## Statement of Financial Activities and Fund Balances - Capital Funds

## STATEMENT E

Year ended December 31, 2008, with comparative figures for 2007

|                                                   | Actual<br>2008 | Budget<br>2008 | Actual<br>2007 |
|---------------------------------------------------|----------------|----------------|----------------|
| Revenue:                                          |                |                |                |
| Gain on sale of capital assets                    | \$ 275         | \$ -           | \$ -           |
| Provincial government grants                      | 121,394        | 150,000        | -              |
|                                                   | 121,669        | 150,000        | -              |
| Expenditure:                                      |                |                |                |
| General government services:                      |                |                |                |
| Machinery and equipment                           | 3,608          | -              | 1,371          |
| Protective services:                              |                |                |                |
| Machinery and equipment                           | 356,710        | 370,000        | 62,099         |
| Transportation services:                          |                |                |                |
| Engineering structures                            | 108,001        | 140,000        | 18,045         |
| Recreation and cultural services:                 |                |                |                |
| Machinery and equipment                           | 12,381         | -              | 12,768         |
| Engineering structures                            | 242,788        | 300,000        | -              |
| West Shore Parks and Recreation Society (note 12) | 5,491          | 2,407          | 5,576          |
|                                                   | 260,660        | 302,407        | 18,344         |
| Total expenditure                                 | 728,979        | 812,407        | 99,859         |
| Excess of expenditure over revenue                | (607,310)      | (662,407)      | (99,859)       |
| Net interfund transfers:                          |                |                |                |
| From Operating Funds                              | 237,375        | 229,419        | 94,304         |
| From Reserve Funds                                | 369,935        | 432,988        | 5,555          |
|                                                   | 607,310        | 662,407        | 99,859         |
| Change in Capital Funds                           | -              | -              | -              |
| Capital Funds, beginning of year                  | 48,833         |                | 48,833         |
| Capital Funds, end of year                        | \$ 48,833      |                | \$ 48,833      |

See accompanying notes to consolidated financial statements.

# DISTRICT OF HIGHLANDS

## Statement of Financial Activities and Fund Balances - Reserve Funds

## STATEMENT F

Year ended December 31, 2008, with comparative figures for 2007

|                                    | Actual<br>2008 | Budget<br>2008 | Actual<br>2007 |
|------------------------------------|----------------|----------------|----------------|
| Revenue:                           |                |                |                |
| Investment income                  | \$ 17,282      | \$ 988         | \$ 18,494      |
| Developers amenities & royalties   | 165,779        | -              | -              |
| Excess of revenue over expenditure | 183,061        | -              | 18,494         |
| Net interfund transfers:           |                |                |                |
| From Operating Funds               | 135,019        | -              | 241,950        |
| To Capital Funds                   | (369,935)      | (432,988)      | (5,555)        |
|                                    | (234,916)      | (432,988)      | 236,395        |
| Change in Reserve Funds            | (51,855)       | (432,000)      | 254,889        |
| Reserve Funds, beginning of year   | 653,815        |                | 398,926        |
| Reserve Funds, end of year         | \$ 601,960     |                | \$ 653,815     |

|                                         | Balance<br>December 31,<br>2007 | Income     | Transfers to/<br>from other<br>funds | Balance<br>December 31,<br>2008 |
|-----------------------------------------|---------------------------------|------------|--------------------------------------|---------------------------------|
| Fire capital works and equipment        | \$ 393,022                      | \$ 173,453 | \$ (284,245)                         | \$ 282,230                      |
| Park acquisition/development            | 97,544                          | 2,780      | (92,000)                             | 8,324                           |
| Roads reserve                           | 104,767                         | 3,820      | 139,653                              | 248,240                         |
| General reserve for future expenditures | 31,053                          | 1,097      | -                                    | 32,150                          |
| West Shore reserves                     | 27,429                          | 1,911      | 1,676                                | 31,016                          |
|                                         | \$ 653,815                      | \$ 183,061 | \$ (234,916)                         | \$ 601,960                      |

See accompanying notes to consolidated financial statements.



# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

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The District of Highlands (the "District") was incorporated as a district municipality in 1993 under the Local Government Act, a statute of the Province of British Columbia. Its principal activities include the provision of local government services to the residents and taxpayers of the incorporated area. These services include administrative, protective, transportation, recreation and fiscal services.

### 1. Significant accounting policies:

The financial statements of the District are prepared by management in accordance with generally accepted accounting principles for local governments, as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the District are as follows:

#### (a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, changes in fund balances and changes in financial position of the District's operating, capital and reserve funds.

Government organizations controlled by the District are included in the government reporting entity and consolidated in the financial statements.

#### (b) Revenue recognition:

Sources of revenue are recorded on the accrual basis and include revenue in the period in which transactions or events occurred that give rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due. Revenue unearned in the current period is recorded as deposits or deferred revenue.

#### (c) Fund accounting:

Funds within the consolidated financial statements consist of the operating, capital and reserve funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

#### (d) Investments:

Investments are recorded at cost, which approximates fair market value.

#### (e) Capital assets:

Capital assets are reported at cost.

Capital assets acquired or constructed are recorded at cost as expenditures in the period they are acquired. Capital assets contributed from developers are reported at estimated cost.

Depreciation is not recorded on capital assets.



# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

---

### 1. Significant accounting policies (continued):

#### (e) Capital assets (continued):

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

The District is in the process of accumulating information related to its tangible capital assets in order to comply with the new Public Sector Accounting Board Standard 3150. This new standard will be applicable to the District's 2009 annual financial statements. As at December 31, 2008, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

#### (f) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occurred, providing all eligibility criteria has been met by the municipality, and reasonable estimates of the amounts can be made.

#### (g) Equity in capital assets:

Equity in capital assets represents the District's net investment in capital assets, after deducting the portion financed by long-term debt.

#### (h) Budget presentation:

Budget amounts presented in these financial statements represent the 2008-2011 five-year plan. This is the five-year plan upon which the municipal property tax rates are set. Amendments to the five-year plan, which occurred in the latter part of the year, are not presented in the financial statements.

#### (i) Reserve accounts:

Reserve accounts are established to provide for the District's specific future requirements. Transfers to and/or from reserve accounts are reflected as an adjustment to the respective fund balances.

#### (j) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

### 1. Significant accounting policies (continued):

#### (k) Segment disclosure:

A new requirement for Municipal Governments, PSAB Standard 2700 on Segment Disclosures, is effective for fiscal years beginning on or after April 1, 2007. A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The District has determined that the consolidated financial statements, as presented, sufficiently address the new requirement.

### 2. Municipal Finance Authority debt reserve fund deposits:

Under borrowing arrangements with the Municipal Finance Authority ("MFA"), the District is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received.

As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA to act as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the District.

The details of the cash deposits and demand notes are as follows:

|              | 2008      | 2007      |
|--------------|-----------|-----------|
| Cash         | \$ 10,827 | \$ 10,391 |
| Demand notes | 26,105    | 26,105    |
|              | \$ 36,932 | \$ 36,496 |

### 3. Deferred revenue:

|                         | Opening balance | Received during the year | Interest earned | Transfers    | Closing balance |
|-------------------------|-----------------|--------------------------|-----------------|--------------|-----------------|
| Gas Tax Agreement Funds | \$ 136,930      | \$ 63,372                | \$ 4,312        | \$ (108,000) | \$ 96,614       |
| Developer amenities     | 54,556          | -                        | -               | (54,556)     | -               |
| Casino revenues         | 13,662          | 11,258                   | -               | (13,662)     | 11,258          |
| Prepaid taxes and other | 28,262          | 15,968                   | -               | (15,608)     | 28,622          |
|                         | \$ 233,410      | \$ 90,598                | \$ 4,312        | \$ (191,826) | \$ 136,494      |



# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

### 4. Long-term debt:

| MFA<br>issue # | Bylaw<br># | Purpose             | Maturity<br>date | Original<br>issued<br>amount | Sinking fund<br>contributions<br>and deposits | Interest<br>rate | Balance<br>2008 | Balance<br>2007 |
|----------------|------------|---------------------|------------------|------------------------------|-----------------------------------------------|------------------|-----------------|-----------------|
| 61             | 32         | Fire truck          | 2010             | \$ 125,000                   | \$ 82,709                                     | 4.00%            | \$ 22,392       | \$ 32,795       |
| 61             | 33         | Fire truck          | 2010             | 50,000                       | 33,084                                        | 4.00%            | 8,957           | 13,118          |
| 186            | 81         | West Shore<br>arena | 2022             | 571,021                      | 36,629                                        | 4.86%            | 496,589         | 516,581         |
|                |            |                     |                  |                              |                                               |                  | \$ 527,938      | \$ 562,494      |

Principal payments on long-term debt for the next six years and thereafter are as follows:

|                     | Total     |
|---------------------|-----------|
| 2009                | \$ 25,379 |
| 2010                | 25,379    |
| 2011                | 17,269    |
| 2012                | 17,269    |
| 2013                | 17,269    |
| 2014 and thereafter | 430,234   |

Total interest expense during the year was \$34,752 (2007 - \$34,752). West Shore arena interest on debt is reduced by a subsidy from the Cities of Langford and Colwood.

#### Debenture debt:

The loan agreements with the Capital Regional District and the MFA provide that if, at any time, the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the District.



# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

### 5. Capital assets:

|                         | Balance,<br>December 31,<br>2007 | Acquisitions      | Disposals          | Balance,<br>December 31,<br>2008 |
|-------------------------|----------------------------------|-------------------|--------------------|----------------------------------|
| Land                    | \$ 1,921,190                     | \$ -              | \$ -               | \$ 1,921,190                     |
| Buildings               | 1,959,339                        | -                 | -                  | 1,959,339                        |
| Machinery and equipment | 1,222,014                        | 378,189           | (67,996)           | 1,532,207                        |
| Engineering structures  | 4,042,018                        | 350,790           | -                  | 4,392,808                        |
|                         | <u>\$ 9,144,561</u>              | <u>\$ 728,979</u> | <u>\$ (67,996)</u> | <u>\$ 9,805,544</u>              |

### 6. Equity in capital assets:

|                                                 | 2008                | 2007                |
|-------------------------------------------------|---------------------|---------------------|
| Equity in capital assets, beginning of year     | \$ 8,582,067        | \$ 8,496,959        |
| Add debt retirement:                            |                     |                     |
| Debt principal repayment                        | 25,380              | 25,379              |
| Debt principal reduced by actuarial adjustments | 9,176               | 7,531               |
|                                                 | <u>34,556</u>       | <u>32,910</u>       |
| Capital asset additions                         | 728,979             | 99,859              |
| Less capital asset disposals                    | (67,996)            | (16,341)            |
| Equity from consolidated entities               | -                   | (31,320)            |
| Change in equity in capital assets              | <u>660,983</u>      | <u>52,198</u>       |
| Equity in capital assets, end of year           | <u>\$ 9,277,606</u> | <u>\$ 8,582,067</u> |

# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

### 7. Net taxes available for municipal purposes:

|                                      | 2008                | 2007                |
|--------------------------------------|---------------------|---------------------|
| Taxes:                               |                     |                     |
| Municipal property taxes             | \$ 2,706,020        | \$ 2,596,963        |
| 1% utility tax                       | 21,791              | 18,537              |
|                                      | <u>2,727,811</u>    | <u>2,615,500</u>    |
| Less transfers to other governments: |                     |                     |
| School authorities                   | 1,065,505           | 1,005,876           |
| Police tax                           | 91,609              | 83,304              |
| Capital Regional District            | 133,666             | 145,251             |
| Capital Regional Hospital District   | 102,495             | 91,342              |
| B.C. Assessment Authority            | 31,957              | 29,811              |
| Victoria Regional Transit Authority  | 76,917              | 62,301              |
| Municipal Finance Authority          | 97                  | 122                 |
|                                      | <u>1,502,246</u>    | <u>1,418,007</u>    |
| Net municipal property taxes         | <u>\$ 1,225,565</u> | <u>\$ 1,197,493</u> |

### 8. Government transfers:

|                                             | 2008              | 2007              |
|---------------------------------------------|-------------------|-------------------|
| Provincial government:                      |                   |                   |
| Small communities and equalization payments | \$ 296,311        | \$ 239,163        |
| Other miscellaneous                         | 121,394           | 10,000            |
|                                             | <u>417,705</u>    | <u>249,163</u>    |
| Other                                       | 207,473           | 22,913            |
|                                             | <u>\$ 625,178</u> | <u>\$ 272,076</u> |

### 9. Consolidated expenditures by object:

|                                   | 2008                | 2007                |
|-----------------------------------|---------------------|---------------------|
| Contracted and general services   | \$ 1,041,747        | \$ 804,887          |
| Council expenses                  | 61,642              | 60,281              |
| Interest                          | 11,902              | 11,601              |
| Grants                            | 12,227              | 15,125              |
| Materials, supplies and utilities | 685,972             | 161,430             |
| Miscellaneous                     | 5,803               | -                   |
| Wages and employee benefits       | 588,688             | 501,819             |
|                                   | <u>\$ 2,407,981</u> | <u>\$ 1,555,143</u> |



# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

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### 10. Contingent liabilities:

- (a) Capital Regional District debt, under the provisions of the Local Government Act, is a direct, joint and severally liability of the Capital Regional District and each member municipality within the Capital Regional District, including the municipality.
- (b) The District is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated whose services provide centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations through the Greater Victoria region and the Gulf Islands. Pursuant to a Members' Agreement, members are obligated to share in funding the ongoing operations and costs related to capital assets.
- (c) The loan agreements with the MFA provide that if the Authority does not have sufficient funds to meet payments on its obligations, it shall make payments from the Debt Reserve Fund which, in turn, is established by a similar Debt Reserve Fund in the municipality and all other borrowing participants. If the Authority's Debt Reserve Fund is deficient, the Authority's obligations become a liability of the regional district and may become a liability of the participating municipalities.

### 11. Pension plan:

The District and its employees contribute to the Municipal Pension Plan (the plan), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The District paid \$25,866 (2007 - \$26,514) for employer contributions to the plan during the year.



## DISTRICT OF HIGHLANDS

### Notes to Consolidated Financial Statements

Year ended December 31, 2008

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#### 12. West Shore Parks and Recreation Society (the "Society"):

- (a) The Capital Regional District (the "CRD") transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal partners (the "Municipalities") effective January 2, 2003: City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca Electoral Area).

The lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the *Co-Owners' Agreement*. The basis for valuation of the assets transferred was fair market value, as determined by the B.C. Assessment Authority through their annual valuation and assessment process. Future improvements are to be allocated among the partners as per the cost sharing formulas in effect each year for each service or facility, as outlined in a *Members' Agreement*.

The repayment of the long-term debt associated with the transferred assets is to remain a regional function, as per the terms of an *Agreement to Transfer* between the CRD, the Municipalities and the District. The debt payments are charged to the Municipalities as part of the CRD's annual requisition. The maturity dates of the various borrowings range from 2012 through 2024. The proportionate share of the debt funded by the District through the requisition process as at December 31, 2008 was \$136,478.

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an *Operating Maintenance and Management Agreement*, the Society is responsible to equip, maintain, manage and operate the facilities located at the recreation centre.

# DISTRICT OF HIGHLANDS

## Notes to Consolidated Financial Statements

Year ended December 31, 2008

### 12. West Shore Parks and Recreation Society (the "Society") (continued):

- (b) Financial results and budget for the Society are consolidated into the District's financial statements proportionately based on the cost sharing formula outlined in the *Members' Agreement*. In 2008, the District's proportion for consolidation purposes was 3.95% (2007 - 3.98%). Condensed financial information for the Society is as follows:

|                          | 2008         | 2007         |
|--------------------------|--------------|--------------|
| Financial assets         | \$ 3,081,907 | \$ 2,938,147 |
| Financial liabilities    | 1,230,240    | 1,090,360    |
| Net financial assets     | 1,851,667    | 1,847,787    |
| Capital assets           | 2,082,415    | 1,950,358    |
|                          | \$ 3,934,082 | \$ 3,798,145 |
| Society position         | \$ 1,851,667 | \$ 1,847,787 |
| Equity in capital assets | 2,082,415    | 1,950,358    |
|                          | \$ 3,934,082 | \$ 3,798,145 |
|                          |              |              |
|                          | 2008         | 2007         |
| Revenues                 | \$ 4,984,145 | \$ 4,783,948 |
| Requisition from members | 3,583,724    | 3,717,873    |
|                          | 8,567,869    | 8,501,821    |
| Expenditures             | 4,980,265    | 4,275,520    |
| Requisition from members | 3,583,724    | 3,717,873    |
|                          | 8,563,989    | 7,993,393    |
| Net revenues             | \$ 3,880     | \$ 508,428   |



## 6. SERVICES AND OPERATIONS



### FIRE PROTECTION

The District has a Fire Specified Area that now covers most of the municipality and the service is paid for by a *separate* property tax levy. There are a number of large undeveloped provincial and regional park lands that are outside of the fire protection area, as well as a few large vacant privately owned parcels of land. There are only a couple of occupied properties not in the fire protection area. Our fire department is a volunteer department with about 30 members. The Fire Chief and Deputy Chief were each provided with an annual stipend of \$11,000 and \$5,500 respectively. Individual fire-fighters received small stipends of \$5.00 per practice or call-out for their invaluable service to the community. In addition Officers received small stipends to recognize their specific contributions resulting from the positions held. The District has two fire halls and six fire vehicles (two main pumpers, two mini pumpers, one tanker and one pickup).





Information pamphlets available of the  
CRD website:  
<http://www.crd.bc.ca/animal/>



***"A dog licence is your pet's best ticket home"***

## ANIMAL CONTROL

The District contracts its animal control services to the Capital Regional District (CRD). The service includes dog licencing and control as well as any other animal related matters. The contract provides that the District shares in the total cost for the animal control service with other participating areas and municipalities, as if we were a participant in a regional service. Therefore, the CRD collects and keeps any dog licence fees and fines.



*Does this look familiar?*

Garbage dumped on roadsides or on private lands in the Highlands is one of the most common and costly bylaw complaints.



*If you come across a dump site do you know what to do?*

Please contact the district office immediately as our bylaw enforcement officer will investigate the site to see if information on the owner may be located within the dumped material.

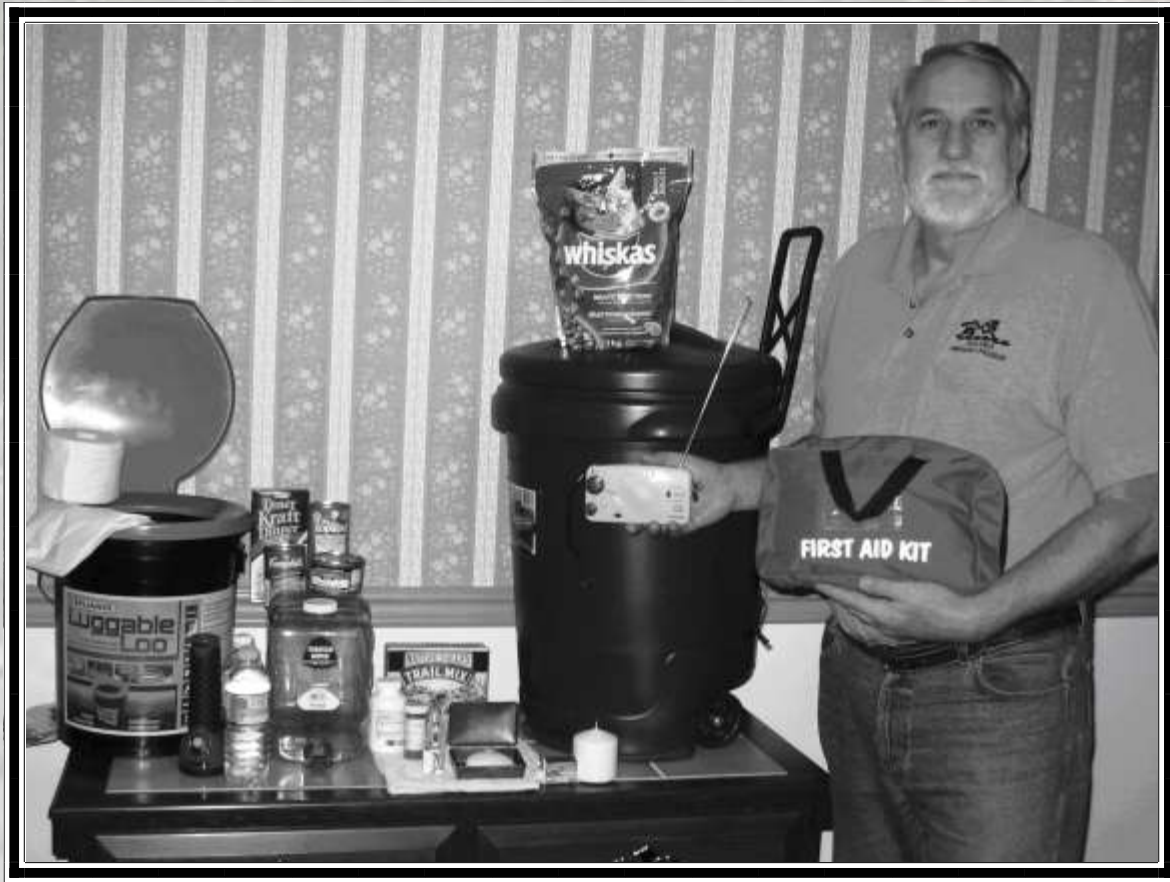
Office Number: 250-474-1773

## *BYLAW ENFORCEMENT*

The District has a fee for service contract with the Capital Regional District for Bylaw Enforcement Services. Under the provisions of the contract, the District can call upon CRD Bylaw Enforcement staff on a fee for service basis to undertake any bylaw enforcement activity. The use of CRD Bylaw Enforcement staff has decreased significantly since engaging the services of a Building Inspector/Bylaw Enforcement Officer. As development increases throughout the District of Highlands, more time will be spent in the role of Building Inspector.



Val Fletcher with an example of an emergency Preparedness kit  
Do you have your kit ready?



### *MUNICIPAL EMERGENCY PROGRAM*

The District has a small volunteer emergency program. The primary responsibility is emergency planning, as well as some on site support for major fire events or search and rescue. The District has a used mini bus purchased for \$3,000 in 2001 to be used as an on site support vehicle.

We also have an active emergency communications *amateur radio group* in support of communications for the program.

The Emergency Program Coordinator, Val Fletcher, along with the Highland District Community Association have organized events to help the community out in an emergency situation. In 2007 a storm forum was offered to the community and in 2009 a wildfire forum.

If you would be interested in volunteering for the emergency program Val would love to hear from you—250-479-1725





## *LIBRARY*

The District participates, along with most of the local municipalities, in the Greater Victoria Public Library system (GVPL). The local branch is located at the West Shore Parks and Recreation site in Colwood and is paid for jointly by Colwood, Highlands, Langford, and Metchosin. We also pay a portion of the central branch costs for the administration of all of the branches. District of Highland residents may access any branch of the Greater Victoria Public Library within the Capital Region. Last fall the GVPL opened a new Goudy Branch in the City of Langford. The Board is currently working on a Master Facilities Plan and has reported a 20% increase in use over 2007.



## *Recreation*

### *West Shore Parks and Recreation*

The main recreation facility is located at the West Shore Parks and Recreation site in Colwood and consists of two ice arenas, an indoor pool, velodrome, playing fields, 9 hole golf course, seniors centre, etc. The facility is jointly owned by Colwood, Highlands, Langford and Metchosin and the CRD, on behalf of a portion of the Juan de Fuca Electoral Area. The facility is operated by a jointly owned Society. The Society has a joint Board of Directors and engages all of the recreation staff.

Given the large geographical area of the Highlands, a number of our residents also use facilities in other municipalities, such as the District of Saanich, that are closer to their homes than the West Shore Parks and Recreation facilities.





### *Municipal Parks – Twinflower and others*

The District has a management agreement with the Highland Parks and Recreation Association whereby they manage and maintain our active use municipal parks. The primary municipal park is Twinflower Park, which has a tot lot playground, a non-regulation size ball field, a bicycle jump and a horse-riding ring.

The other primary active recreation park is Eagles Lake Park, which has a very small swimming beach and picnic area.

The District pays for any capital cost or operating cost items.





### *Caleb Pike Homestead*

The District has a management agreement with the Highland Heritage Parks Society, whereby they operate and maintain the municipally owned Caleb Pike homestead. The homestead consists of Caleb Pike House, the Little Red Schoolhouse, a heritage orchard and the Gregory House which is **used as a caretaker's residence.**

Numerous events take place at the homestead, such as the summer market, HDCA sponsored Easter Egg Hunt, youth program, garden group, and the coffee house!





## *Road Maintenance*

The maintenance of the District's 43.7 kilometers of paved roads is contracted out to Victoria Contracting and Municipal Maintenance Corporation. In addition JBR Highway Consulting provides consulting services including twice yearly road inspection services. In 2008, the district spent \$108,000 on road improvements (funded by the Federal Gas Tax Agreement). In 2009 more road improvements will be made using this funding.

## 8. PROGRESS REPORT

| ISSUE                                         | STATUS                                                                                                                                                                                                   | NEXT STEPS                                                                                                                                                                                                                                     |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Economic Development South Highlands:         |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                |
| West side Millstream Road                     | CRD RGS Amendment Process complete                                                                                                                                                                       | Staff report on required steps for RGS compliance, servicing issues and Bear Mountain MDA issues                                                                                                                                               |
| East side Millstream Road                     | Discussions Underway with CRD and Property Owners                                                                                                                                                        | Staff continue discussions relating to land use and servicing issues with property owners                                                                                                                                                      |
| Infrastructure:                               |                                                                                                                                                                                                          |                                                                                                                                                                                                                                                |
| 1. Groundwater Monitoring Program             | Phase 1 Complete. Phase 2 underway                                                                                                                                                                       | Pursue Well Drilling Funding. Well drilling was excluded from the funding, approved multiple monitoring wells may be required and the cost for such are very significant. Research grant programs and await phase 2 report prior to any action |
| Annual road structure and surface assessments | 2008 assessments completed. 2009 pending. Road Capital Plan is an ongoing annual process and funding has been incorporated into the Financial Plan. Annual reviews and technical priorities are ongoing. | For 2009 Budget considerations                                                                                                                                                                                                                 |
| Transit/Transportation                        | Council Transit Liaison appointed. Ongoing process.                                                                                                                                                      | To fully participate in all opportunities regionally to enhance local transportation opportunities                                                                                                                                             |
| Juan de Fuca Recreation Facilities            | Ongoing process                                                                                                                                                                                          | To support the management of the West Shore facilities for the benefit of all residents and users.                                                                                                                                             |
| Park Management Plans                         | Not initiated                                                                                                                                                                                            | Recommend a process to move forward                                                                                                                                                                                                            |



## PROGRESS REPORT continued

| ISSUE                                        | STATUS                                                                                                                                                    | NEXT STEPS                                                                                                                                          |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Infrastructure Continued....</b>          |                                                                                                                                                           |                                                                                                                                                     |
| 5. Trails Master Plan                        | Consultant engaged project underway                                                                                                                       | Public consultation on the initial stages of the plan in 1 <sup>st</sup> quarter of 2009. Completion target summer 2009                             |
| <b>Emergency Services:</b>                   |                                                                                                                                                           |                                                                                                                                                     |
| Fire Dept Strategic Planning/ Communications | Not started will await staffing review.                                                                                                                   | Discussions to take place to establish a strategic process to move forward on issues relating to Fire Halls and communication issues.               |
| Fire Dept Staffing                           | Review Underway                                                                                                                                           | Consultant sourced to analyze and report on staffing issues.                                                                                        |
| Day Crew                                     | Ongoing Process. There has been a serious erosion of eligible day crew volunteers the District critically short of responders during normal working hours | Council will support the recruitment of volunteers through newsletter and web site advertisements along with ongoing dialogue with Fire Department. |
| Neighborhood "HELP" Volunteers               | Ongoing Process                                                                                                                                           | Council will support the recruitment of volunteers through newsletter and web site advertisements                                                   |
| <b>Administrative/Governance</b>             |                                                                                                                                                           |                                                                                                                                                     |
| Treaty Process/First Nations Relations       | <b>Participant in the Te'Mexw Treaty Advisory Committee</b>                                                                                               | Continue participation in Treaty Process to the fullest extent possible. Develop and enhance relations with local First Nations governments.        |
| Millstream Meadows                           | Remediation process in progress – Staff report in progress                                                                                                | Continue to support remediation of the property to the highest degree practicable                                                                   |
| Wildfire Interface Regulations               | Report under preparation                                                                                                                                  | Bring forward report to Committee of the Whole when prepared.                                                                                       |

## PROGRESS REPORT continued

| ISSUE                                          | STATUS                                                       | NEXT STEPS                                                                                                                                                         |
|------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Administrative/Governance Continued...</b>  |                                                              |                                                                                                                                                                    |
| George Cuff Corporate Review / Recommendations | Not initiated                                                | Bring forward to a Committee of the Whole Meeting                                                                                                                  |
| Wildfire Protection Plan                       | Draft Bylaw prepared                                         | Project has not started and may be abandoned due to lack of consultant availability                                                                                |
| Subdivision Servicing Bylaw                    | Revisions prepared                                           | Upon completion bring forward for Council consideration. This will incorporate Bear Mt. Servicing Standards as well as housekeeping amendments to the general text |
| Staff Salary Review                            | Current Salary Rates expire at year end                      | Bring forward proposal for review                                                                                                                                  |
| Council Ethics Policy                          | Not initiated                                                | Draft Policy                                                                                                                                                       |
| Soil Deposit and Removal Regulations Review    | Background Report , Recommendations and draft Bylaw prepared | Bring forward for discussion and confirm progress                                                                                                                  |
| Integrated Pest Management Planning            | Not initiated                                                | Develop process                                                                                                                                                    |
| Heritage Property Recognition                  | Not initiated                                                | Report on available tools                                                                                                                                          |
| Riparian Area Agriculture/Livestock Management | Not initiated                                                | Consolidate available information for education purposes and post on web site                                                                                      |
| <b>Land Use</b>                                |                                                              |                                                                                                                                                                    |
| Secondary Suites                               | Report on methods used by other CRD municipalities           | Staff prepare report and bring forward for further discussions                                                                                                     |
| Large Lots                                     | Landholder consultation completed.                           | Staff Report recommending process to move forward                                                                                                                  |

## *PROGRESS REPORT continued*

| ISSUE                      | STATUS                                                      | NEXT STEPS                                                                                                              |
|----------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| Community Based            |                                                             |                                                                                                                         |
| Volunteer Recognition      | Referred to Community Infrastructure and Services Committee | Awaiting Committee Recommendations                                                                                      |
| Sustainability             | Task Force established.                                     | Await CRD staffing and proceed with Task force activities to identify objectives for further pursuit                    |
| Community Centre           | Task Force discussions on going                             | Proceeding with preparing information for design charette and Public Meeting, and Private land discussions with Council |
| Highlands Community Market | Ongoing                                                     | Examine means to support the local market and work with organizers if assistance can be provided.                       |



## 9. STATEMENT OF REMUNERATION AND EXPENSES

### DISTRICT OF HIGHLANDS

#### Statement of Remuneration and Expenses (Unaudited)

Year ended December 31, 2008

|                    |            | <b>Elected Officials</b> |                 |           |               |
|--------------------|------------|--------------------------|-----------------|-----------|---------------|
|                    |            | Remuneration             | Expenses        | Total     |               |
| Mark Cardinal      | Mayor      | \$ 10,000                | \$ 1,074        | \$        | 11,074        |
| Ken Brotherston    | Councillor | 6,000                    | -               |           | 6,000         |
| Andrew Fall        | Councillor | 6,000                    | 1,982           |           | 7,982         |
| Joe Kadar          | Councillor | 6,000                    | -               |           | 6,000         |
| Michelle Mahovlich | Councillor | 6,000                    | 175             |           | 6,175         |
| Jane Mendum        | Councillor | 6,000                    | -               |           | 6,000         |
| Ken Williams       | Councillor | 6,000                    | 1,355           |           | 7,355         |
|                    |            | <b>\$ 46,000</b>         | <b>\$ 4,586</b> | <b>\$</b> | <b>50,586</b> |

|                                                            |  | <b>Reconciliation of Remuneration</b> |                |
|------------------------------------------------------------|--|---------------------------------------|----------------|
| 1. Elected Officials                                       |  | \$                                    | 46,000         |
| 2. Employees                                               |  |                                       | 473,414        |
| 3. Receiver General for Canada (Employer portion CPP & EI) |  |                                       | 16,956         |
| 4. Reconciling Items                                       |  |                                       | 52,319         |
| Total per note 9 to the audited financial statements       |  | <b>\$</b>                             | <b>588,689</b> |

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

Nil

## *11. STATEMENT OF PERMISSIVE PROPERTY TAX EXEMPTIONS FOR 2008*

Nil

## *12. FEDERAL GAS TAX TRANSFER REPORT*

The District received \$102,625 in 2008 from the Gas Tax Transfer Agreement with the Federal Government. Funds from this transfer are eligible to be used on certain expenditures. In 2008, the district spent \$108,000 of these funds to pay for road improvements. The remaining funds are set aside in a reserve for future expenditures. The current reserve balance for these funds totals \$22,000. In 2009 more road improvements will be funded using this funding.



## *13. VOLUNTEERS*

Citizen involvement is an important element of maintaining a successful community as no community can succeed without the active participation of **its volunteers**. **Many of the District's functions would not be possible without** the collective efforts of the District, volunteers and residents.

Special recognition must be given to Chief Barry Ford and the members of the Highlands Fire Department for their continued and extraordinary efforts in making the Highlands a safer place to live.

### *2008 DISTRICT OF HIGHLANDS VOLUNTEER FIRE FIGHTERS*

Chief Barry Ford

Deputy Chief Guy Brisebois

Captain Dean Ford

Lieutenant Bryce Patey

Lieutenant Dean Ferguson

Lieutenant Ken Leason

Lieutenant Gregg Fletcher

Stew Bender

Jason Bland

Bob Brown

Meara Fletcher

Rick Hinde

Dwayne Kauffman

Dave Mackas

Maureen Mackay

Mark Montgomery

Trevor Newnham

Jason Schuttinga

Peter Schuttinga

Gary Shade

Alexander Smith

Andy Stewart

Robert Tuit

## 13. *VOLUNTEERS continued*

### 2008 ADVISORY PLANNING COMMISSION

Mara Dhillon  
Honora Johannesen  
Marcie McLean  
Eleanor Rayner  
Colleen Robertson  
Kent Willner  
Fred York

### 2008 COMMUNITY INFRASTRUCTURE AND SERVICES SELECT COMMITTEE

Bob Flitton  
Elaine Limbrick  
Tara Parkinson  
Ellie Rayner  
Paul Reynolds  
Evelyn Samuel  
Andy Stewart  
Hans Waelti  
Fred York

### 2008 FISCAL AND ENVIRONMENTAL SELECT COMMITTEE

Karen Burns  
Patricia Cummins  
Kenn Faris  
Vicky Husband  
Warren Lee  
Elaine Limbrick  
Marcie McLean  
Bob McMinn  
Paul Weyer

### 2008 COMMUNITY CENTRE TASK FORCE

Michael Bocking  
Bob Flitton  
Verna Ford  
Marcie McLean  
Bob McMinn

### 2008 GROUND WATER TASK FORCE

Eric Bonham  
Warren Lee  
Michelle Mahovich