



Chase – A Shuswap Experience



2013 Annual Report

826 Okanagan Avenue
PO Box 440
Chase, BC V0E 1M0
250-679-3238
Fax 250-679-3070
www.chasebc.ca

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About Chase

The Village of Chase is located between Kamloops and Salmon Arm along the Trans Canada Highway (Highway #1), on lands long occupied by various First Nations peoples including the Secwepemc Nation, Adams Lake Indian Band and the Neskonlith Indian Band both have residential areas in close proximity to the Chase town site.

Chase Village sits on the shores of Little Shuswap Lake which flows into the South Thompson River along the South Thompson River Valley. Downtown Chase is lined with seasonal blossoms, street trees and benches, and affords an easy walk to a variety of shops, cafés and bistros. Financial and insurance businesses, as well as an employment centre and a grocery with pharmacy are among the amenities supporting the Village's residents and tourists.

Among the many open spaces within the Village, one can enjoy a lake side park, a walk on the pier, a visit to the Friday Farmer's market, a walk through neighbourhoods and along Chase Creek, or a walk along the footpath to Chase Creek Falls to view a rushing creek or a Zip line enthusiast! For those golf lovers, an executive size 9-hole golf course welcomes golfers from near and far to enjoy the links.

There are amenities for Recreational Vehicles including the Chase Lions RV Park, a 14 site park nestled along the entrance to the South Thompson River. Two boat launches provide boaters easy access to the river and the lake and to the West of Chase is lush, productive agricultural lands producing some of the best produce in BC. Celebrations including Canada Day and "Cornstalk" provide activities and entertainment for people of all ages, engaging local musicians and local First Nations culture.

Those who have lived in Chase or have experienced its charm know that Chase is quaint, well located, safe and beautiful, and provides the best of all worlds – it is close to larger centres, while being in the midst of the lakes and mountains, providing numerous outdoor recreational opportunities and a lifestyle envied by many.

Mayor's Message

The Village of Chase has been my home for several years, and I have been fortunate to serve on Council for 1 full term as Councillor prior to becoming Mayor. As an avid golfer, I am highly involved in the Sunshore Golf Course, and am a director of the Chase and District Recreation Centre Society.

Much of the community of Chase is built on a solid foundation of volunteerism and community spirit. Not only is there something always happening at either Memorial Park in the summer, or at the Community Hall all year round, there are highly committed volunteers working with the Chase and District Museum and Archives Society, the Chase and District Curling Club, the Recreation Society, the golf course, the high school and elementary school, the cross country ski club, the local trail enthusiasts, the youth action committee and a host of others. A diverse population of retirees and young families who want to contribute to their community to make it an even better place to live keeps Chase's community spirit alive.

In 2013, the Village of Chase accomplished several large projects. Planning and initial design of the new Water Treatment Plant was completed and the Request for Tenders was issued at the end of the year. Construction was begun in the spring of 2013. The mock Billing for metered utilities was not accomplished in 2012 and will be attempted in 2013. Problems encountered with the meter reading system have delayed implementation. The new Public works building and Dog Kennel facilities were completed at the beginning of 2013. The Memorial Park Wharf rebuild was completed in 2013. The planning for the Water Treatment Plant was completed early in the year and RFP's were requested and contracts let. A major start was made on construction by the end of the year and it is anticipated that the project will be completed in the fall of 2014.

2014 proves to be an even busier year for the Village's Council and staff, with the anticipated completion of the Water Treatment Plant, the initiation of water meter 'mock' billing, completion of the water conservation and protection plan, planning for sewer treatment upgrade for the lagoons, Community Hall renovations and the election.

The objectives listed in this Annual Report have been approved by Council as part of our 2014 to 2018 Five Year Financial Plan. This Annual Report is not intended to be a comprehensive listing of every objective of Council, as many such objectives are routine matters and the intent of this Report is to provide the public with a broad view of the major initiatives the Council has undertaken in the previous year and intends to undertake in the next two years.

Chase continues to move forward with our tourism initiatives, and as well we are planning improvements to the Village's website to better show the province and the rest of Canada what a terrific place Chase is to live, work, retire, or raise a family.

Ron Anderson, Mayor

Council Committees and Staff Departments

Council Members in 2013

Mayor Ron Anderson, Councillor Rick Berrigan; Councillor David Lepsoe; Councillor Rod Crowe; Councillor Steve Scott.

Council Meetings are held on the Second and Fourth Tuesday's of each month beginning at 4:00 p.m. in the Council Chamber at 826 Okanagan Avenue, Chase, BC.

In addition, Council meets as a Committee of the Whole on the First Tuesday of each month at 4:00 p.m. in the Council Chamber. These meetings are less formal than Council meetings, and provide an opportunity for the public to ask questions or provide input relating to Chases' municipal governance.

Council Appointments in 2013

Acting Mayor

December to February:	Councillor David Lepsoe
March to May:	Councillor Steven Scott
June to August:	Councillor Rick Berrigan
September to November:	Councillor Rod Crowe

Thompson-Nicola Regional District Director and Alternate Director

Director:	Mayor Ron Anderson
Alternate Director:	Councillor Rick Berrigan

Recreation Board of Management

Councillors Rick Berrigan, David Lepsoe and Steven Scott

Liaison Appointments

Adams River Salmon Society:	Councilor Rod Crowe
Chamber of Commerce:	Councilor Steven Scott
Chase Country Christmas Committee:	Councilor David Lepsoe
Emergency Planning Committee	Councilor Rod Crowe
First Nations Liaison	Councilor David Lepsoe
Museum and Archives Society:	Councillor Rick Berrigan
Recreation Centre Society:	Chief Administrative Officer and Director of Financial Services to attend meeting

Municipal Insurance Association

Delegate:	Councillor Rick Berrigan
Alternate:	Mayor Ron Anderson

Council Actions are implemented by the following staff:

Chief Administrative Officer
Corporate Officer
Director Financial Services
Finance Assistant
Administrative Assistant of Client Services and Receptionist/Cashier
Supervisor of Public Works
Assistant Supervisor of Public Works
Public Works and Parks Staff (Utility Operators, Parks Labourers)

Report on Municipal Services and Operations for 2013

The Village of Chase provides many services to its residents. In 2013 the following services were provided:

General Government Services/Administration

Administration involves activities that are carried out by staff at the Village Office as well as support activities for Public Works and Parks, and Council:

- Preparing agendas for Council meetings, following up on Council actions, ensuring legal conformity of all actions taken by Council and staff;
- Receipt of correspondence, review and distribute as appropriate for information and action;
- Monitoring contracts with consultants, engineers and other professionals hired to perform work the Village staff either cannot provide due to level of expertise or workload;
- Review and valuation of tangible capital assets;
- Financial Administration including budget preparation, regular reports preparation for council and administration, preparing and issuing Property Tax billings and Utility billings for garbage, sewer and water services;
- Administration of Cemetery, building permits, dog licenses, burning permits, etc.;
- Administration and bookings for the Community Hall and Village parks;
- Administration of the Village's Summer Program, which employs youth to provide activities for children;
- Asset Management services for the servicing and maintenance and protection of assets required to carry out the functions of the municipality.

Public Works and Parks provide the following services:

- Road maintenance including snow removal, street lighting, street sweeping, line painting, pothole repair, etc.;
- Flood control works, vehicle maintenance and repair, cemetery maintenance including providing services for interments, tree planting, maintenance and removal, opening and closing park washrooms during summer months;
- Maintenance of water Treatment and transmission systems;
- Maintenance of waste water collection and treatment systems;
- Solid Waste collection and disposition including a curbside recycling system;
- Maintenance and Enhancement of Parks and green space;

Water meters were installed in all homes in 2010. Village staff are working towards instituting water meter billing which when operational will allow water users to see their usage and that usage will be billed accordingly. Testing of the meter reading system was performed throughout 2012 and 2013 to correct problems encountered with incorrect data being provided and with some faulty equipment, including a defective meter reader. It is anticipated the process can be completed upon the installation of a new reader in 2014.

Protective Services

This department provides Bylaw Enforcement services, Emergency Management services and Fire Protection:

- Bylaw enforcement was provided through a contract with the BC Commissionaires starting in the Spring of 2012;
- Animal Control is a contracted service that involves patrolling, responding to and investigating complaints, and impounding dogs when necessary;
- While the Village Emergency Program is managed through the Thompson-Nicola Regional District (TNRD), there is a Village Council liaison as well as a staff liaison to ensure smooth communication between the TNRD and the Village;
- The Emergency Program organizes preparedness training as well as the initiation of Emergency Operations Centres when necessary, and providing for the needs of evacuees during an emergency, emergency responder support, and volunteer training;
- Fire Protection Services within the Village's boundaries are provided by the Chase Volunteer Fire Department. In addition to the Village service area, the Chase department also provides fire protection to properties to the West of the Village (VLA Flats), and to the Northeast of the Village to Matthey Hill properties, receiving financial reimbursement on a flat fee basis from the Regional District for the VLA Flats properties and a formula-based fee from the Matthey properties. Commercial and public assembly building fire inspection services mandated by the Provincial Fire Commissioner are also provided by the Chase Fire Department;
- When there are sufficient firefighters to ensure fire protection, Road Rescue Services are also provided for the arterial highway along the South Thompson valley corridor extending East and West for approximately 30 km in each direction, as well as for the Kamloops Shuswap road to Pritchard along the west side of the South Thompson River, parts of Blind Bay, up to the south end of the Adams Lake and into Seymour Arm area of Shuswap Lake;
- Late in 2013 a review was initiated for the Fire Department which will continue into 2014. The review will show deficiencies in equipment, reporting methods, and will provide recommendations for improvements in those areas as well as recruiting and training.

Statement of Objectives and Measures for 2013

Objective	Measure
Continue Equipment Replacement program	Replacement of Rescue Vehicle – Unable to obtain – Deferred to 2014 Replacement of Fire Dept. Chief’s Truck - COMPLETED Public Works Dump box for Ford Truck – COMPLETED Replacement Mower – obtain grass catcher replacement – COMPLETED
Continual Upgrade of Computer Equipment	Purchase new computer for CFO and Finance Clerk - COMPLETED Purchase new computer for Public Works Supervisor– COMPLETED
Provide recreational and cultural facilities/activities for all ages	Continue planning and design for Skateboard Park – Ongoing Improve signage for visitors to community – Ongoing project
Ensure well-trained Fire Department	Provide for classroom and on-hands training - Ongoing Acquire training boxes for enclosed spaces training – Not obtained
Museum	Acquisition of Museum to provide assistance to the Museum Society- COMPLETED
Upgrade Streets as Required	Initiate engineering design for upgrades to Cottonwood Street – COMPLETED Initiate review of Brooke Ave Drainage Upgrade – COMPLETED
Ensure upgrades for Municipally owned buildings	Begin retrofits of Community Hall including new flooring downstairs and improvements to main hall (paint/acoustics)- ongoing
Provide better drinking water	Begin construction of Water Treatment Plant – Construction started fall 2013, anticipate completion in fall 2014
Parks Improvements	Review Wilson Park Footbridge and Handrail – COMPLETED Investigate Memorial Park Wi-Fi – COMPLETED Centennial Park Upgrade playground equipment – Materials on order Centennial Park Wading Pool Upgrade – COMPLETED Support for Tennis Court upgrade between schools-In progress

Financial Statements of

THE VILLAGE OF CHASE

Year Ended 31 December 2013



THE VILLAGE OF CHASE

Management's Responsibility for the Financial Statements

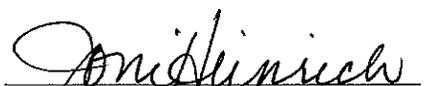
Year Ended 31 December 2013

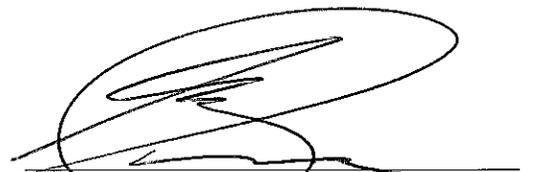
The accompanying financial statements of The Village of Chase (the "Village") are the responsibility of the management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily 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 Village'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 the approval of the financial statements by Council.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Village. The accompanying Independent Auditors Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.


Chief Administrative Officer


Director Financial Services



KPMG LLP
Chartered Accountants
200-206 Seymour Street
Kamloops BC V2C 6P5
Canada

Telephone (250) 372-5581
Fax (250) 828-2928
Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Chase

We have audited the accompanying financial statements of the Village of Chase (the "Village"), which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Village of Chase as at December 31, 2013, and the results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Accountants

Kamloops, Canada
May 13, 2014

THE VILLAGE OF CHASE

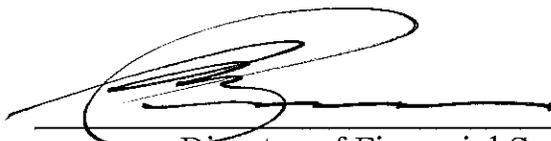
Statement of Financial Position

31 December 2013, with comparative information for 2012

	2013	2012
Financial Assets:		
Cash and short-term investments (note 3)	\$ 2,647,914	\$ 4,091,506
Accounts receivable:		
- Taxes receivable	245,250	227,868
- Other	1,780,929	349,449
	<u>4,674,093</u>	<u>4,668,823</u>
Financial Liabilities:		
Accounts payable and accrued liabilities	452,432	376,853
Accrued payroll expenses	152,791	136,038
Deferred revenue (note 4)	768,551	1,112,739
Term debt (note 5)	2,921,364	2,053,166
Obligations under capital leases (note 7)	258,314	425,752
	<u>4,553,452</u>	<u>4,104,548</u>
Net Financial Assets	120,641	564,275
Non-financial Assets:		
Tangible capital assets (note 8)	29,195,253	27,455,187
Prepaid expenses	30,298	66,437
	<u>29,225,551</u>	<u>27,521,624</u>
Accumulated Surplus (note 9)	<u>\$ 29,346,192</u>	<u>\$ 28,085,899</u>

Commitments and contingencies (note 13)

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



Director of Financial Services

THE VILLAGE OF CHASE

Statement of Operations

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
Taxation (note 10)	\$ 1,531,800	\$ 1,498,776	\$ 1,487,321
Parcel taxes collected	296,400	295,701	295,841
User charges	749,000	717,704	722,061
Government transfers:			
Federal (note 11)	17,400	14,225	2,000
Provincial (note 11)	5,244,100	1,805,895	849,970
Municipal (note 11)	16,500	16,575	16,000
Other transfers	3,700	4,320	3,820
Contributed tangible capital assets (note 8(b))	150,000	156,100	4,368,433
Development cost charges	131,800	87,090	-
Investment income	15,500	33,658	27,301
Other	-	1,636	1,045
Total revenues	8,156,200	4,631,680	7,773,792
Expenses			
General government	698,300	583,437	855,890
Protective services	312,800	289,490	240,812
Development services	48,000	89,127	58,124
Transportation services	726,100	809,398	652,280
Parks, recreation and culture	590,800	695,414	541,461
Solid waste management	169,200	184,134	171,799
Water utility	362,600	362,441	286,371
Waste water utility	417,200	320,974	309,103
Other services	26,000	36,972	13,939
Total expenses	3,351,000	3,371,387	3,129,779
Surplus (deficit)	4,805,200	1,260,293	4,644,013
Accumulated surplus, beginning of year	28,085,900	28,085,899	23,441,886
Accumulated surplus, end of year	\$ 32,891,100	\$ 29,346,192	\$ 28,085,899

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

THE VILLAGE OF CHASE

Statement of Changes in Net Financial Assets

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Annual surplus	\$ 4,805,200	\$ 1,260,293	\$ 4,644,013
Acquisition of tangible capital assets	(7,372,600)	(2,523,306)	(5,603,875)
Amortization of tangible capital assets	649,800	783,240	711,294
	(1,917,600)	(479,773)	(248,568)
Acquisition of prepaid expenses	-	(30,298)	(66,437)
Use of prepaid expenses	-	66,437	41,561
	-	36,139	(24,876)
Change in Net Financial Assets	(1,917,600)	(443,634)	(273,444)
Net Financial Assets, beginning of year	564,275	564,275	837,719
Net Financial Assets, end of year	\$ (1,353,325)	\$ 120,641	\$ 564,275

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

THE VILLAGE OF CHASE

Statement of Cash Flows

Year Ended 31 December 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in)		
Operating activities		
Annual surplus	\$ 1,260,293	\$ 4,644,013
Items not involving cash:		
Amortization of tangible capital assets	783,240	711,294
Change in non cash operating assets and liabilities		
Accounts receivable	(1,448,862)	(60,122)
Contribution of tangible capital assets, net of term debt assumed	(156,100)	(4,373,433)
Accounts payable and accrued Liabilities	75,578	(6,002)
Accrued payroll expenses	16,753	68,916
Deferred revenue	(344,188)	444,048
Prepaid expense	36,139	(24,876)
Net change in cash from operating activities	222,853	1,403,838
Capital activities		
Acquisition of tangible capital assets	(2,367,205)	(520,505)
Net change in cash from operating activities	(2,367,205)	(520,505)
Financing Activities		
Term debt issued and assumed	1,000,000	-
Principal payments on obligations under capital lease	(167,438)	(167,366)
Principal payments on term debt	(131,802)	(66,875)
Net change in cash from operating activities	700,760	(234,241)
Net change in cash and cash equivalents	(1,443,592)	649,092
Cash and cash equivalents, beginning of year	4,091,506	3,442,414
Cash and cash equivalents, end of year	\$ 2,647,914	\$ 4,091,506
Supplemental cash flow information		
Cash received from interest	33,658	\$ 32,815
Cash paid for interest	(98,371)	(63,348)
Tangible capital assets acquired by capital lease, not included in cash transactions above	-	58,370

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

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

The Village of Chase (the "Village") was incorporated on 21 April 1969 under statute of the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

The Village provides municipal services to residents of the incorporated area. These include fire protection, transportation and roads maintenance, solid waste collection and disposal, parks and recreation and maintenance of green spaces, water utility, sewer utility and other general government services.

1. Significant accounting policies:

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

(a) Reporting entity:

(i) Funds of the Village

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all funds of the Village, segregated into General, Water Utility and Sewer Utility funds.

The Village has not identified any external entities that are owned or whose boards are controlled by the Village and that are accountable to the Village for the administration of their financial affairs and resources; however it is the policy of the Village that any such entities would also form part of the reporting entity.

Inter-departmental and inter-fund transactions and balances between these funds have been eliminated in the financial statements.

(ii) Accounting for other government organizations and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of other government entities and the School Boards with which the Village interacts are not reflected in these financial statements. Funds collected by the Village on behalf of these other entities and transmitted to them are summarized in note 10. Funds received by the Village as transfers or grants from other government entities are summarized in note 11.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

1. Significant accounting policies (continued)

(iii) Trust funds

Trust funds and their related operations administered by the Village are not included in these financial statements.

(b) Basis of accounting:

The Village follows the accrual method of accounting for revenues and expenses. Revenues are 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.

(c) Revenue recognition:

Property taxes, parcel taxes, frontage taxes, special assessments and grants in lieu of taxes are recognized as revenue in the year in which they are assessable. Water and sewer user rates, connection fees, sale of services, interest and penalties are recognized as revenue in the year the related service is provided, and when the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers received or receivable are recognized in the financial statements as revenue in the period that the event giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(d) Deferred revenue:

Deferred revenue represents grants, development cost charges ("DCCs"), licenses and other fees which have been collected, but for which the related expenditures or services have yet to be performed or incurred. These amounts will be recognized as revenues in the fiscal year the services are performed or expenses incurred.

(e) Government transfers:

Government transfers (other than grants in lieu of taxes) are recognized in the financial statements as revenues in the periods in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the periods that the liability is extinguished. Grants in lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not collected.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

1. Significant accounting policies (continued)

(f) Cash and cash equivalents:

Cash and cash equivalents include cash and highly liquid investments with a term to maturity of 90 days or less at acquisition and that are readily convertible to cash.

(g) Reserves:

Reserves for operating and capital purposes represent amounts within accumulated surplus reserved either internally or by statute for specific future purposes.

(h) Term debt:

Term debt acquired through the Municipal Finance Authority ("MFA") is recorded net of the related sinking fund balances. Earnings on sinking fund investments are allocated to the Village as an actuarial adjustment, which is recorded as a revenue and reduction in the related debt.

(i) Employee future benefits:

(i) The Village provides certain employee benefits which will require funding in future periods. These benefits include sick leave and banked overtime provided to all its unionized employees. The costs of sick leave and banked overtime arising from past service and expected to be paid out in a future period have been accrued as a liability and have been determined using management's best estimate of salary and utilization rates. Non-vesting sick leave benefit entitlements in excess of these amounts are not accrued, as they are unlikely to be utilized prior to retirement.

(ii) The costs of multi-employer defined contribution pension plan benefits, such as the Municipal Pension Plan, are the employer's contributions due to the plan in the period.

(j) 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 operations.

(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 and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

1. Significant accounting policies (continued)

Asset	Useful life - years
Land improvements	15-70
Buildings and building improvements	30-75
Vehicles, machinery and equipment	3-25
Roads, bridges and highways	10-80
Water and sewer infrastructure	10-80

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

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

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets

The Village manages and controls various works of art and non-operational historical cultural assets including paintings and sculptures located at Village sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(v) Interest capitalization

The Village does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) 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 as incurred.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

1. Significant accounting policies (continued)

(k) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions based on current conditions and laws 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 expenses during the year. Actual results could differ from those estimates. Significant estimates include assumptions used in estimating provisions for the estimated useful lives of tangible capital assets and in performing actuarial valuations of employee future benefits.

Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

2. Adoption of PS 3410 Government transfers:

Effective 1 January 2013, the Village adopted new accounting standard PS 3410 – Government Transfers. The accounting policies for this standard can be found in note 1(e) of the financial statements. The adoption of this standard has been applied prospectively, as permitted by the transitional provisions of the standard, and therefore no changes have been required in prior year comparative figures.

3. Cash and short term investments:

Cash and short term investments reported on the statement of financial position have costs that approximate market value. Short term investments consist of investments primarily in MFA pooled money market funds with a rate of return of approximately 1.1% (2012 – 1.1%).

Restrictions around use of cash and cash equivalents are as follows:

	2013	2012
Restricted:		
Reserves	\$ 1,821,582	\$ 775,143
Development cost charges	321,315	403,995
MFA debt reserve fund	26,845	15,208
	2,169,742	1,194,346
Unrestricted	478,172	2,897,160
Total	\$ 2,647,914	\$ 4,091,506

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

4. Deferred revenue:

Deferred revenue, reported on the statement of financial position, is made up of the following:

	2013	2012
DCC's	\$ 321,315	\$ 403,995
Gas Tax funding	429,187	328,288
Wharf rebuild grant	-	365,600
Cash in lieu of parkland	15,020	14,856
Other	3,029	-
Total deferred revenue	\$ 768,551	\$ 1,112,739

Continuity of deferred revenue is as follows:

	2013	2012
Balance, beginning of year:		
DCC's	\$ 403,995	\$ 399,757
Gas Tax funding	328,288	254,234
Wharf rebuild grant	365,600	-
Cash in lieu of parkland	14,856	14,700
	1,112,739	668,691
Contributions:		
Gas Tax funding	147,066	147,111
Wharf rebuild grant	-	365,600
Other	3,028	-
Interest earned	7,683	7,507
	157,777	520,218
Revenues recognized	(501,965)	(76,170)
Balance, end of year	\$ 768,551	\$ 1,112,739

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

Development cost charges ("DCCs") are amounts received from developers to be used by the Village for specific infrastructure upgrades, improvements and projects. The above amounts have been deferred and are to be recognized as revenue in the year the related project expenditures are incurred.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

5. Term debt:

The Village issues debt instruments through the MFA of British Columbia, pursuant to term capital borrowing, loan authorization and security issuing bylaws under authority of Sections 178, 179 and 181 of the Community Charter, to finance certain capital expenditures.

During 2012, the Village assumed liability and payments for term debt relating to the contribution of a tangible capital asset (note 8(b)).

The balance of term debt reported on the statement of financial position is made up of the following:

	2013	2012
MFA debt instrument with a maturity date of April 2038, bearing interest at a rate of 3.15% per annum	1,000,000	-
MFA debt instrument with a maturity date of October 2036, bearing interest at a rate of 3.25% per annum	951,016	975,988
Royal Bank of Canada term debt with a maturity date of January 2014, repayable at \$9,620 per month including interest at 3.73% secured by a General Security Agreement	526,327	620,229
MFA debt instrument with a maturity date of April, 2035, bearing interest at a rate of 4.50% per annum	\$ 444,021	\$ 456,949
Term debt, end of year	\$ 2,921,364	\$ 2,053,166

Total interest on term debt reported in the statement of operations amounted to \$97,452 (2012 - \$62,467).

The term debt issued in the name of the Village has been approved by bylaw. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

5. Term debt (continued)

The total principal payments for the next five years and thereafter are as follows:

2014	\$	589,275
2015		65,466
2016		68,085
2017		70,808
2018		73,641
Thereafter		2,054,089

Scheduled debt repayments may be suspended due to excess sinking fund earnings with MFA.

6. Municipal Finance Authority debt reserve:

As a condition of the MFA borrowings made by the Village, and as required by legislation, a debt reserve fund is maintained in the amount of one-half the average annual installment of principal and interest as set out in the agreements entered into. The reserve is funded in part by cash, being the withholding of 1% of the total issue proceeds, and the remainder being funded by a demand note whereby the Village may be required to loan certain amounts to the MFA. Details of the cash deposits and demand notes on hand at year end are as follows:

	2013	2012
Cash deposits	\$ 26,845	\$ 15,208
Demand note	47,775	30,019
Debt reserve fund balance, net	\$ 74,620	\$ 45,227

7. Obligations under capital lease:

To finance the acquisition of certain tangible capital assets, the Village has entered into various capital lease agreements with maturity dates between 2014 and 2017. The required minimum lease payments and net obligation under capital lease is as follows:

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

7. Obligations under capital leases (continued):

	2013	2012
2013	\$ -	\$ 174,274
2014	168,678	168,627
2015	72,069	72,069
2016	15,821	15,821
2017	6,665	6,666
Total minimum lease payments	263,233	437,457
Less amount representing interest (at rates ranging from 1.25% to 2.00%)	4,919	11,705
Present value of net minimum capital lease payments	\$ 258,314	\$ 425,752

Interest of \$6,983 (2012 - \$9,414) relating to capital lease obligations has been included in expenses on the statement of operations. See note 14 for detail of allocation to various functions.

8. Tangible capital assets:

Transactions related to tangible capital assets are presented in Schedules 1 and 1a.

a) Assets under construction

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into service. Where projects have been completed during the year, accumulated costs are reclassified to the appropriate category of asset and included in related additions in the current year.

b) Contributed tangible capital assets

During the year, the Village received a museum as a contributed capital asset recorded in land and buildings and improvements. Fair value of the museum at the date of contribution was \$206,100, offset by the \$50,000 paid to remove the lien from the building resulting in a net contribution of \$156,100

In 2012, the Village received an arena as a contributed capital asset. Fair value of the arena at the date of contribution was \$5,025,000, offset by the fair value of the term debt assumed by the village of \$651,567 (note 5) and fees of \$5,000 resulting in a net contribution of \$4,368,433. The arena was recorded as an addition to buildings of \$4,549,000 and equipment of \$476,000.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

c) Write-down of tangible capital assets

No write-down in value of tangible capital assets was considered necessary during the year (2012 - \$nil).

9. Accumulated surplus:

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

	2013	2012
Surplus:		
Invested in tangible capital assets	\$26,015,575	\$24,976,272
Unrestricted	1,509,035	2,334,484
Total surplus	27,524,610	27,310,756
Reserves set aside by Council for specified purposes:		
Committed	1,126,316	82,500
Equipment replacement	8,695	8,600
Fire truck	21,870	21,630
Garbage truck	136,871	85,917
Outdoor rink	882	872
Recreation	2,227	2,202
Wharf replacement	-	54,461
Debt retirement	124,358	122,993
	1,421,219	379,175
Reserve funds set aside by Council for capital purposes:		
Statutory - general capital works and machinery	399	395
Statutory - water capital works	66,947	66,212
Statutory - sewer capital works	333,017	329,361
	400,363	395,968
Total accumulated surplus	\$29,346,192	\$28,085,899

The committed reserve was established by council at the end of 2012 for the purpose of tracking budgeted amounts which had not been utilized in the current year. In 2013, the debenture in the amount of \$1,000,000 for the water treatment plant had not been utilized, resulting in a significant increase in the reserve. The funds will be utilized in 2014 as the project is completed.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

10. Taxation:

Taxation revenue, reported on the statement of operations, is made up of the following:

	2013	2012
Municipal and school property taxes levied	\$ 3,176,157	\$ 3,117,941
Payments-in -lieu of property taxes	21,761	4,079
Utilities 1% tax	35,485	50,765
Penalties and interest on property taxes	36,166	46,528
	<u>3,269,569</u>	<u>3,219,313</u>
Less transfers to other governments:		
Thompson-Nicola Regional District	543,724	558,010
Thompson-Nicola Regional Hospital District	158,954	127,991
Province of B.C. - School taxes	900,132	892,165
Province of B.C. - Police taxes	133,419	119,935
B.C. Assessment Authority	34,482	33,808
Municipal Finance Authority	82	83
	<u>1,770,793</u>	<u>1,731,992</u>
Net taxation revenue available for municipal purposes	\$ 1,498,776	\$ 1,487,321

11. Government transfers:

The Village recognizes the transfer of government funding as revenues or expenses in the period that the events giving rise to the transfer occurred. The Government transfers reported on the statement of operations and accumulated surplus are:

	2013	2012
Provincial grants:		
B.C. Small Communities grant	\$ 262,607	\$ 561,875
Building Canada Grant - Water Treatment Plant	1,108,499	205,627
Small Communities Recreation Grant	365,600	-
Gas tax grant	52,106	72,675
Smart Communities grant	2,000	-
Provincial Emergency Plan	7,280	7,388
Climate Action Review Incentive Plan	2,803	2,405
BC Hydro Urban Forest Grant	5,000	-
	<u>1,805,895</u>	<u>849,970</u>

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

11. Government transfers (continued):

	2013	2012
Federal grants:		
Canada Day grant	-	2,000
Western Economic Diversification	9,300	-
Youth employment grant	4,925	-
	14,225	2,000
Thompson-Nicola Regional District:		
Fire response area	13,500	13,000
Cemetery grant	3,075	3,000
	16,575	16,000
Total government transfer revenues	\$ 1,836,695	\$ 867,970

12. Trust funds:

The Village operates the Chase Municipal Cemetery and maintains a cemetery perpetual care fund in accordance with the Cemetery and Funeral Services Act. Trust fund assets and related reserve balance have been excluded from the financial statements, as the assets are only held beneficially in trust for unrelated third parties. At 31 December 2013 the Village held \$44,963 (2012 - \$44,593) in trust.

13. Commitments and contingencies:

- (a) The Village, as a member of the Thompson-Nicola Regional District, is liable for its proportion of any operating deficits or term debt related to functions in which it participates.
- (b) The Village has guaranteed the loan principal and interest payments on a mortgage for the Chase and District Recreation Society (the "Society") to a maximum of \$550,000 for the Chase golf course. At 31 December 2013 the mortgage balance was \$318,170 (2012 - \$364,436). The Village provides annual grants up to \$66,000 and a contract fee for operations in the amount of \$ 75,000 to assist the Society with general operating costs. In the event the Society was to default on the mortgage payments, the golf course would become the property of the Village.
- (c) This Village 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 Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 12

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

13. Commitments and contingencies:

contributors from the Village.

The most recent actuarial valuation at 31 December 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be at 31 December 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

The Village paid \$77,470 (2012 - \$68,910) for employer contributions while employees contributed \$60,129 (2012 - \$53,701) to the plan in fiscal 2013.

- (d) The Village provides benefits for sick leave to all its employees. All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Per the current collective agreement, employees earn sick leave benefits at the rate of 1.5 days for every month of service, which accumulate and roll forward year to year, up to a maximum of 150 days per employee.

The Village has not recorded a liability for this sick leave benefit entitlement as the current entitlement is unlikely to be utilized before retirement. However, at 31 December 2013 the sick leave benefits entitlement accumulated to date totals approximately 4,820 hours (2012 - 4,925) or approximately \$148,100 (2012 - \$146,932).

The Village also provides benefits on retirement. After five years of employment, 20% of the sick pay benefits will be paid out plus an additional 2% for each additional year employed to a maximum of 150 days. The Village has recorded a liability of \$65,600 (2012 - \$65,600) for these benefits due to vested retirement benefits.

- (e) From time to time the Village is brought forth as defendant in various lawsuits. The Village reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against would materially affect the financial statements. The Village is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements of the Village.
- (f) The Village is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the Village, along with the other participants, would be required to contribute towards the deficit.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

14. Segmented information:

Segmented information has been identified based upon lines of service provided by the Village. Village services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

Segmented information is presented in Schedules 2 to 2k.

(i) Taxes

Taxes include all taxation revenues and tax related revenues except parcel taxes which are allocated to the specific functions for which they are collected.

(ii) General government

General government operations provide the functions of corporate administration, finance, human resources, legislative services, building services and maintenance, and other functions not categorized to a specific department. It includes general revenues and transfers not allocated to specific functions.

(iii) Protective services

Protection is comprised of the fire and rescue service, bylaw enforcement and animal control, and building inspection services. The mandate of the fire department is to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The bylaw and animal control department provides licensing and bylaw enforcement services. The building inspection service provides enforcement of municipal bylaws and the Provincial Building Code and regulations.

(iv) Development services

Development provides planning assistance to guide developers in complying with the Village zoning bylaws, Official Community Plan and development procedures for subdividing lands and providing the necessary infrastructure to support those developments.

(v) Transportation

The Village public works department is responsible for the delivery of municipal services related to the planning, development and maintenance of roadway systems, street lighting, and drainage systems.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

14. Segmented information (continued):

(vi) Parks, recreation and culture

The Village public works and parks department provides public services related to the maintenance of parks, open spaces, the Community Hall, the Museum and provision of various seasonal recreation programs.

(vii) Solid waste management

The Village is responsible for environmental programs including solid waste collection and disposal and recycling.

(viii) Water utility

The Village is responsible for environmental programs including the engineering and operation of the potable water system to obtain, treat and deliver water.

(ix) Waste water utility

The Village is responsible for environmental programs including the engineering and operation of the wastewater collection, treatment and disposal.

(x) Other services

The Village provides public services related to Chase Cemetery, the public wharf and dykes within the community.

Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development cost charges revenues were allocated to the segment for which the charge was utilized.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

15. Budget data:

The budget data presented in these financial statements is based upon the 2013 operating and capital budgets approved as the 2013 Financial Plan by Council on 14 May 2013. The legislative requirements of the Financial Plan are that the cash inflows for the period must equal planned cash outflows.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended 31 December 2013

15. Budget data (continued):

Cash inflows and outflows include such items as transfers to and from reserves and surplus and capital expenditures. These items are not recognized as revenues and expenses in the statement of operations and accumulated surplus as they do not meet the public sector accounting standards requirements. PSAB requires that budget figures be presented on the same basis of accounting as actual and comparative figures.

The following reconciles the budget figures reported in these financial statements to the approved Financial Plan.

	Budget amount
Surplus - Statement of Operations	\$ 4,805,200
Adjust for budgeted cash items not included in Statement of Operations:	
Offset for amortization budgeted	649,800
Transfers to and from reserves	(58,300)
Proceeds from new debt	1,000,000
Proceeds from capital leases	77,400
Acquisition of tangible capital assets	(7,372,600)
Principal payments on term debt	(162,500)
Principal payments on capital lease obligations	(176,400)
Net transfers from surplus	1,237,400
Total Adjustments	(4,805,200)
Financial Plan Balance	\$ -

16. Comparative figures:

In 2013 the financial systems were reorganized to improve consistency in reporting and allocation of Tangible Capital Assets. This resulted in several minor changes in the comparability of the financial statements to previous years, but the results were not considered significant enough to require detailed summaries of the changes. There were no changes to the totals reported.

THE VILLAGE OF CHASE

Schedule 1 - Tangible Capital Assets

Year Ended 31 December 2013

Tangible Capital Assets (notes 1, 8)

Cost	Land	Land Improvement	Buildings and Improvements	Vehicles and Machinery Equipment	Roads		Water Infrastructure		Waste Water Infrastructure	Capital Works in Progress	TOTAL
					Drainage	Bridges	Infrastructure	Infrastructure			
Balance, beginning of year	\$ 6,477,932	1,234,750	8,892,838	3,971,062	7,975,382	2,932,302	3,931,499	902,369	36,318,134		
Additions	114,000	77,953	708,913	63,378	33,209	-	17,636	2,523,306	3,538,397		
Disposals	-	-	-	(39,841)	-	-	-	-	(39,841)		
Transfer of costs, completed projects	-	-	-	-	-	-	-	(1,015,091)			
Balance, end of year	6,591,932	1,312,703	9,601,751	3,994,599	8,008,591	2,932,302	3,949,136	2,410,585	38,801,599		
Accumulated Amortization											
Balance, beginning of year	-	387,820	1,005,159	1,494,224	3,041,223	1,140,423	1,794,098	-	8,862,947		
Disposals	-	-	-	(39,841)	-	-	-	-	(39,841)		
Amortization Expense	-	58,494	237,452	220,904	145,304	39,724	81,362	-	783,240		
Balance, end of year	-	446,314	1,242,611	1,675,287	3,186,527	1,180,147	1,875,460	-	9,606,346		
Net book value, end of year	\$ 6,591,932	\$ 866,389	\$ 8,359,140	\$ 2,319,312	\$ 4,822,064	\$ 1,752,155	\$ 2,073,676	\$ 2,410,585	\$ 29,195,253		

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

THE VILLAGE OF CHASE

Schedule 1a - Tangible Capital Assets

Comparative information for Year Ended 31 December 2012

Tangible Capital Assets (notes 1, 8)	Land		Land Improvement	Buildings and Improvements	Vehicles and Machinery Equipment	Roads		Water Infrastructure	Waste Water Infrastructure	Capital Works in Progress	TOTAL
	Land	Improvement				Bridges	Drainage				
Cost											
Balance, beginning of year	\$ 6,477,932	\$ 1,234,750	\$ 4,343,838	\$ 3,399,885	\$ 7,975,382	\$ 2,932,302	\$ 3,929,908	\$ 420,262	\$ 30,714,259		
Additions	-	-	4,549,000	571,177	-	-	1,591	-	578,876		
Disposals	-	-	-	-	-	-	-	-	-		
Transfer of costs, completed projects	-	-	-	-	-	-	-	-	(96,769)		
Balance, end of year	6,477,932	1,234,750	8,892,838	3,971,062	7,975,382	2,932,302	3,931,499	902,369	35,318,134		
Accumulated Amortization											
Balance, beginning of year	-	329,163	836,316	1,280,141	2,895,783	1,100,699	1,709,551	-	8,151,653		
Disposals	-	-	-	-	-	-	-	-	-		
Amortization Expense	-	58,657	168,843	214,083	145,440	39,724	84,547	-	711,294		
Balance, end of year	-	387,820	1,005,159	1,494,224	3,041,223	1,140,423	1,794,098	-	8,862,947		
Net book value, end of year	\$ 6,477,932	\$ 846,930	\$ 7,887,679	\$ 2,476,838	\$ 4,934,159	\$ 1,791,879	\$ 2,137,401	\$ 902,369	\$ 27,455,187		

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

THE VILLAGE OF CHASE

Schedule 2 - Summary of Segmented Information

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
Taxation (note 10)	\$ 1,531,800	\$ 1,498,776	\$ 1,487,321
Parcel taxes	296,400	295,701	295,841
User charges	749,000	717,704	722,061
Government transfers:			
Federal (note 11)	17,400	14,225	2,000
Provincial (note 11)	5,244,100	1,805,895	849,970
Municipal (note 11)	16,500	16,575	16,000
Other transfers	3,700	4,320	3,820
Contributed tangible capital assets (note 8b)	150,000	156,100	4,368,433
Development cost charges	131,800	87,090	-
Investment Income	15,500	33,658	27,301
Other	-	1,636	1,045
Total Revenues	8,156,200	4,631,680	7,773,792
Expenses			
Salaries	1,225,400	1,211,088	1,157,533
Grants in aid	96,400	97,004	129,155
Operating costs	1,254,800	1,167,948	1,065,528
Interest on debt	94,600	112,107	66,268
Amortization	679,800	783,240	711,294
Total Expenses	3,351,000	3,371,387	3,129,779
Surplus (deficit)	4,805,200	1,260,293	4,644,013

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

THE VILLAGE OF CHASE

Schedule 2a - Taxes

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
Municipal taxes	\$ 1,435,000	\$ 1,415,059	\$ 1,376,052
Taxes collected on behalf of others	1,778,900	1,761,098	1,741,889
Payment in lieu of tax	13,700	21,761	4,079
Utilities tax	35,600	35,485	50,765
Penalties and interest	47,500	36,166	46,528
Taxes collected	<u>3,310,700</u>	<u>3,269,569</u>	<u>3,219,313</u>
Transfer of taxes to others			
Thompson Nicola Regional District	543,700	543,724	558,010
Thompson Regional Hospital District	159,000	158,954	127,991
Province of BC - school taxes	918,000	900,132	892,165
Province of BC - police taxes	123,400	133,419	119,935
BC Assessment Authority	34,700	34,482	33,808
Municipal Finance Authority	100	82	83
Total taxes transferred	<u>1,778,900</u>	<u>1,770,793</u>	<u>1,731,992</u>
Net taxes collected	<u>\$ 1,531,800</u>	<u>\$ 1,498,776</u>	<u>\$ 1,487,321</u>

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

THE VILLAGE OF CHASE

Schedule 2b - General Government

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
User charges	\$ 41,800	43,911	45,409
Government transfers (note 11)			
Federal	2,000	-	2,000
Provincial	270,500	267,410	564,280
Other transfers	2,500	2,320	2,611
Investment income	15,500	29,659	27,301
Total revenues	332,300	343,300	641,601
Expenses			
Salaries and benefits	403,100	359,657	580,738
Grants in aid	61,000	16,444	18,000
Operating costs	205,300	174,898	232,236
Interest on debt	7,900	7,761	52
Amortization	21,000	24,677	24,864
Total expenses	698,300	583,437	855,890
Surplus (deficit)	(366,000)	(240,137)	(214,289)

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

THE VILLAGE OF CHASE

Schedule 2c - Protective Services

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
User charges	\$ 4,600	\$ 7,270	\$ 6,736
Government transfers (note 11)			
Provincial	8,000	7,281	7,388
Municipal	13,500	13,500	13,000
Other transfers	1,200	-	1,209
Total revenues	27,300	28,051	28,333
Expenses			
Salaries and benefits	122,100	109,422	58,367
Operating costs	129,300	134,868	136,699
Interest on debt	4,400	2,490	848
Amortization	57,000	42,710	44,898
Total expenses	312,800	289,490	240,812
Surplus (deficit)	(285,500)	(261,439)	(212,479)

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

THE VILLAGE OF CHASE

Schedule 2d - Planning and Development Services

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
User charges	\$ 23,500	\$ 13,812	\$ 23,110
Government transfers (note 11)			
Federal	9,300	9,300	-
Municipal	-	-	-
Other transfers	-	2,000	-
Total revenues	32,800	25,112	23,110
Expenses			
Salaries and benefits	19,600	22,951	-
Grants in aid	18,400	14,000	17,635
Operating costs	10,000	9,812	-
Amortization	-	42,364	40,489
Total expenses	48,000	89,127	58,124
Surplus (deficit)	(15,200)	(64,015)	(35,014)

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

THE VILLAGE OF CHASE

Schedule 2e - Transportation Services

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
User charges	\$ -	\$ -	-
Government transfers			
Provincial	162,500	-	-
Development cost charges	7,500	-	-
Other	-	1,500	-
Total revenues	170,000	1,500	-
Expenses			
Salaries and benefits	192,800	293,288	196,476
Operating costs	356,300	330,973	271,763
Interest on debt	3,700	2,829	2,167
Amortization	173,300	182,308	181,874
Total expenses	726,100	809,398	652,280
Surplus (deficit)	(556,100)	(807,898)	(652,280)

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

THE VILLAGE OF CHASE

Schedule 2f - Parks, Recreation and Culture

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
User charges	\$ 20,100	\$ 18,028	\$ 23,360
Government transfers (note 11)			
Federal	6,100	4,925	-
Provincial	30,000	5,000	-
Contributed tangible capital assets	150,000	156,100	4,368,433
Other	-	136	1,045
Total revenues	206,200	184,189	4,392,838
Expenses			
Salaries and benefits	184,200	181,197	141,529
Grants in aid	17,000	66,560	93,520
Operating costs	222,500	246,491	185,831
Interest on debt	30,000	20,333	8,347
Amortization	137,100	180,833	112,234
Total Expenses	590,800	695,414	541,461
Surplus (deficit)	(384,600)	(511,225)	3,851,377

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

THE VILLAGE OF CHASE

Schedule 2g - Solid Waste Management

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
User charges	\$ 216,700	\$ 218,353	\$ 216,600
Government transfers (note 11)			
Provincial	49,600	49,600	48,663
Total revenues	266,300	267,953	265,263
Expenses			
Salaries and benefits	72,500	59,894	51,276
Operating costs	65,000	76,421	73,815
Interest on debt	2,500	1,575	755
Amortization	29,200	46,244	45,953
Total expenses	169,200	184,134	171,799
Surplus (deficit)	97,100	83,819	93,464

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

THE VILLAGE OF CHASE

Schedule 2h - Water Utility

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
Parcel taxes	\$ 78,400	\$ 78,128	\$ 78,268
User charges	224,700	199,948	189,587
Government transfers (note 11)			
Provincial	4,357,900	1,111,004	229,639
Development cost charges	72,000	72,550	-
Investment income	-	2,188	-
Total revenues	4,733,000	1,463,818	497,494
Expenses			
Salaries and benefits	112,800	101,728	62,763
Operating costs	119,800	100,409	86,323
Interest on debt	24,500	55,519	32,500
Amortization	105,500	104,785	104,785
Total expenses	362,600	362,441	286,371
Surplus (deficit)	4,370,400	1,101,377	211,123

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

THE VILLAGE OF CHASE

Schedule 2j - Waste Water Utility

Year Ended 31 December 2013, with comparative information for 2012

	Budget	2013	2012
Revenues			
Parcel taxes	\$ 218,000	\$ 217,573	\$ 217,573
User charges	204,900	203,296	204,030
Investment income	-	1,811	-
Development cost charges	52,300	14,540	-
Total revenues	475,200	437,220	421,603
Expenses			
Salaries and benefits	107,600	70,771	58,498
Operating costs	137,000	81,644	78,861
Interest on debt	21,600	21,600	21,600
Amortization	151,000	146,959	150,144
Total expenses	417,200	320,974	309,103
Surplus (deficit)	58,000	116,246	112,500

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

THE VILLAGE OF CHASE

Schedule 2k - Other Services

Year Ended 31 December 2013

	Budget	2013	2012
Revenues			
User charges	\$ 12,700	\$ 13,085	\$ 13,230
Government transfers (note 11)			
Provincial	365,600	365,600	-
Municipal	3,000	3,075	3,000
Total Revenues	381,300	381,760	16,230
Expenses			
Salaries and benefits	10,700	12,179	7,886
Operating costs	9,600	12,433	-
Amortization	5,700	12,360	6,053
Total Expenses	26,000	36,972	13,939
Surplus (deficit)	355,300	344,788	2,291

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

Tax Exemptions Permitted in 2013

On October 25, 2012, “The Village of Chase Tax Exemption Bylaw No. 785-2012” was adopted. In that bylaw, tax exemptions were granted for the year 2013, pursuant to Sections 220 and 224 of the Community Charter.

The following lands and improvements were provided with a permissive tax exemption from the Village of Chase for the year 2013:

Property Name	Legal Description	Estimated Value of Tax Exemption
Chase and District Curling Club	Parcel Z, District Lot 517, Plan 19733, K.D.Y.D. except Plan KAP57419, of Lots A&B SEE (KC5233) PID# 012-870-285	\$12,996
Chase Creekside Seniors	Parcel Y of Block A, District Lot 517, Plan 514, K.D.Y.D, of L 13 – 17 SEE DD M14002, Lease/Permit/License # 343509 PID # 012-290-246	\$2,895
Chase and District Museum and Archives Society	Part of Lot 6, Plan B757 District Lot 517, K.D.Y.D. of Plan 1467 PID # 004-971-531	\$4,413
Interior Health Authority	Lot 1 Plan 37882 District Lot 517, K.D.Y.D. PID # 006-831-010	\$31,322
Interior Health Authority	Lot 1 Plan KAS1902 District Lot 517, K.D.Y.D. PID # 023-780-533	\$8,200
Chase and District Chamber of Commerce	Property located on Village of Chase Right-of-Way between Shuswap Avenue and C.P. Rail Station West of Aylmer Road	\$1,991
Chase & District Recreation Centre Society	Lot A, Plan KAP 82245 PID# 026-854-449 and Lot 1, Plan KAP 81631 District Lot 517, K.D.Y.D. PID# 026-771-748	\$15,607 \$36,062

Tax Exemptions Permitted in 2013 (continued)

Please note that all churches receive a statutory (Provincial Legislation) exemption from taxation for the place of worship. Those values are not included here.

The following lands only were provided with a permissive tax exemption by the Village of Chase for the year 2013:

Property Name	Legal Description	Actual Value of Tax Exemption
Evangelical Free Church of America	Lot A, District Lot 517, Plan 41858, K.D.Y.D. PID # 014-902-486	\$1,470
United Church of Canada	Lot A, District Lot 517, Plan 8227, K.D.Y.D. PID # 009-868-992	\$1,784
Jehovah's Witness Congregation	Lots 17-20, Block P, District Lot 517, Plan 514, K.D.Y.D. PID # 012-295-965, PID # 012-295-981, 012-295-990, 012-296-015	\$1,281
Roman Catholic Bishop of Kamloops	Lot B, Plan 36502, District Lot 517, K.D.Y.D, of Plan 1467 PID# 003-648-168 except that portion required for dwelling allowed by Development Variance Permit # 9	\$1,798
Royal Canadian Legion Branch 107	Lot A , District Lot 517, Plan 37207, K.D.Y.D. PID # 004-896-955	\$2,319

The total value of all property tax exemptions granted in 2013 was \$122,137.

Declaration of Disqualifications

There were no declarations of disqualifications under Section 111 of the Community Charter for the Year 2013.

Statement of Objectives and Measures for 2014

Objective	Measure
Continue Equipment Replacement program	Fire Dept. investigating replacement of Ladder Fire Truck Replace old Fire Tool Truck Replace Mower for Parks Replace Backhoe
Continual Upgrade of Computer Equipment	Acquire increased capacity for Computer Server Review software for improved Internet access for public
Provide recreational and cultural facilities/activities for all ages	Continue to source funding for Skatepark Prepare to create a Trails Master Plan when funding available Continue to work with the Youth Action Committee to enhance ties between youth and older citizens Engage two event and activity coordinators through Project Comeback to inform what activities and events are available
Ensure well-trained Fire Department	Provide for classroom and on-hands training Complete administrative review and implement appropriate recommendations
Upgrade Streets as Required	Cottonwood Street upgrade if grants available Coburn Street bridge study
Ensure upgrades for Municipally owned buildings	Continue major upgrade of Community Hall
Provide better drinking water	Complete construction of Water Treatment Plant Complete Water Conservation Protection Plan
Parks Improvements	Conduct Study for Rebuild of Willson Park Footbridge Upgrade Willson Park Lighting Upgrade Centennial Park Playground
Maintain Waste Water Treatment	Upgrade to sewage treatment lagoons

Statement of Objectives and Measures for 2015

Objective	Measure
Continual Upgrade of Computer Equipment	Acquire increased capacity for Computer Server Continue Website improvements
Provide recreational and cultural facilities/activities for all ages	Development of Trails Master Plan
Ensure well-trained Fire Department	Provide for classroom and on-hands training/continue to recruit new members and streamline operations
Upgrade Streets as Required	Identify streets needing improvements and budget for future works
Ensure upgrades for Municipally owned buildings	Continue upgrade of Community Hall – Electrical/Aesthetics
Provide better drinking water	Continue implementation of Water Conservation and Protection study
Parks Improvements	Rebuild Willson Park Bridge, walkway and parking Memorial Park Beach volleyball court Memorial Park Playground Equipment Mountain Sheep Park Rock Wall
Maintain Waste Water Treatment	Ensure upgrades complete and well maintained