

DISTRICT OF LANTZVILLE
BRITISH COLUMBIA, CANADA

2013 ANNUAL REPORT

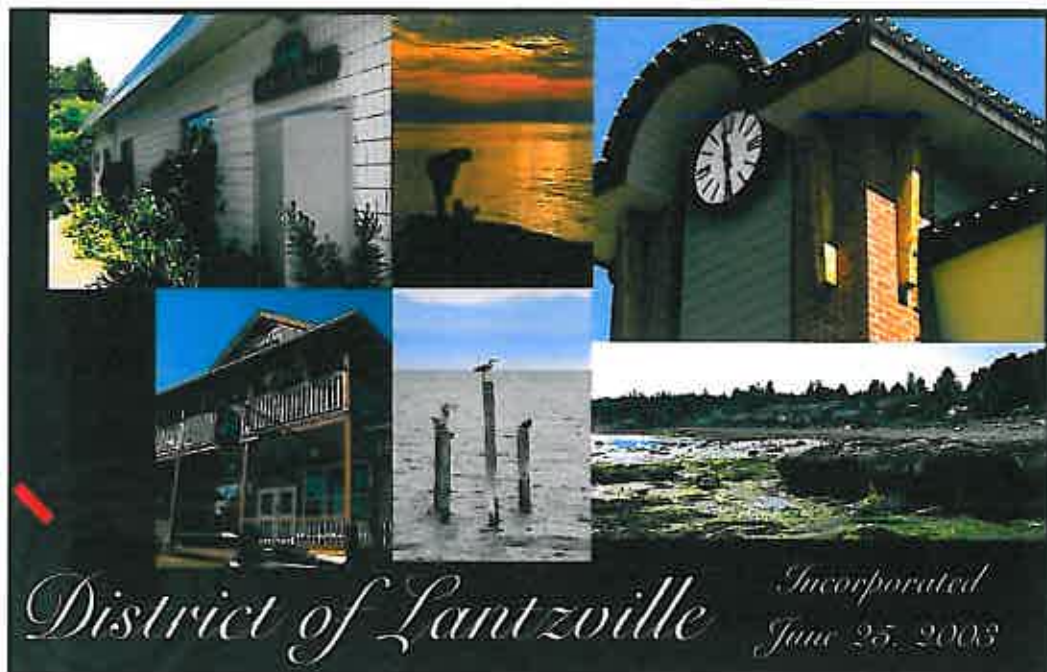


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PURPOSE OF THIS REPORT

This report has two primary purposes. The first purpose is to provide information about the activities of the District of Lantzville (the "District") and its goals and objectives for the fiscal year ended December 31, 2013. The second purpose is to inform readers about the District's 2014 projects, goals and objectives, and identify strategic priorities for the months remaining in Council's current term.

LETTER FROM THE MAYOR

An open letter to the citizens of the District of Lantzville

It is with pleasure that I take this opportunity to communicate to the residents of Lantzville regarding municipal operations and services of the District for the year 2013.

Good governance begins with the identification of a mission statement, values, identifying strategic priorities and developing an action plan to carry out those priorities identified by Council. Council of the District of Lantzville has developed a mission statement and when considering decisions for this community adheres to the following:

"Provide environmentally and economically sustainable fashion while managing growth of the community and respecting the diverse community character and charm."

Along with Council's mission statement Council conducts itself and its business with the following values:

"Act in a professional manner at all times,

Have respect for:

- each other,*
- the roles of Council & staff,*
- the decision making process,*
- opinions of all of our constituents,*

Carry out adequate research and thoughtfully consider the issues before us, while serving and representing all our community."

Council's priorities for the next two years are as follows:

- *Infrastructure – economically & environmentally sustainable infrastructure*
- *Finances – economically sustainable District finances*
- *Community Planning – managed community planning and growth*
- *Communications – respectful communications with all constituents*
- *Parks & Recreation – services that reflect our diverse character & charm*
- *Service Delivery – services that meet the needs and financial capacity of the community; and*
- *Corporate Maintenance – well managed and supported corporate fiscal & human resources*

The provision of water and sewer services continues to be a priority of Council and in June 2013, City of Nanaimo Council voted yes to providing a supplemental water supply to the District of Lantzville by directing City of Nanaimo staff to finalize a water supply agreement with the District. Following this decision by the City of Nanaimo an open letter to Lantzville residents was mailed (July 26, 2013) summarizing water negotiations between the two

municipalities. In early 2014 Lantzville Council received the proposed water agreement from the City of Nanaimo and at Council's regular meeting held March 24, 2014, Council formally received the agreement. To date, the proposed agreement includes the following conditions: buy-in charge; cost sharing for other services; quantity & quality; restrictions on provision of water including no resale; water conservation; maintenance & repair responsibilities; construction costs; and Lantzville representation on the City's Water Supply Advisory Committee. Once staff of the two municipalities fine tune aspects of the agreement Council will schedule a public meeting to provide our residents with an opportunity for public engagement and feedback as it relates to the proposed water agreement.

The District celebrated its 10th Anniversary on Tuesday, June 25, 2013. Residents came out to enjoy coffee, cake and conversations with members of Council and staff. On display were photographs of the various projects the District has completed since incorporation such as the renovations of the District office; construction of the water reservoir on Ware Road and the first phase of the E & N trail. Other significant projects completed by your members of Council include:

- Citizen Satisfaction Survey
- Seismic upgrades to Costin Hall
- Fire Underwriters Survey
- Purchased new front line fire truck
- Transportation Review
- Zoning Amendment to permit Market Gardens
- Created the Village Commercial Core Improvement Plan Committee
- Adopted a policy relating to Bylaw Enforcement

2014 marks the year of the general municipal election which will be held on Saturday, November 15. I would encourage residents to become involved in your community and consider serving as a member of Council. Residents and non-resident property owners who are unable to commit the time to a position on Council (which will now be a four year term as a result of Bill 21 receiving Royal Assent) can become involved through the voting process. It is important that our residents take advantage of the opportunity to vote in elections and have their voice heard through the democratic process. I have served my first term as your Mayor and have enjoyed representing the residents of this community.

In closing, I would like to encourage residents to continue to provide input, either by attendance at meetings of Council, written submissions, or by scheduling a meeting with myself or any other member of Council and/or staff of the District. We, as a Council, wish to ensure that we continue to recognize the desires of the community -- taking into account the diverse views of our residents.

I wish you all an enjoyable summer.

Sincerely

Jack de Jong
Mayor

STRATEGIC DIRECTION FOR 2011-2014

The District of Lantzville conducts a comprehensive annual planning process which begins with strategic direction from Council. This is followed by a joint review by both Council and senior staff which focuses on the nature and extent of the services that the District will provide to its residents. Based on this framework, a five year financial plan is developed. The five year financial plan includes the costs of ongoing operations, strategic projects and planned capital expenditure projects to provide the necessary infrastructure for the proposed services.

Strategic Priorities

Council recognizes the importance of planning for the future and continues to conduct strategic planning sessions as a means of identifying and establishing priorities, goals and objectives in response to issues identified by both residents of the community and Council. Council's priorities, as identified at its strategic planning sessions held in January 2013 and February 2012, are as follows:

- Infrastructure: *economically and environmentally sustainable infrastructure*
- Finances: *economically sustainable District finances*
- Community Planning: *managed community planning and growth*
- Communications: *respectful communications with all constituents*
- Parks & Recreation: *services that reflect our diverse character and charm*
- Service Delivery: *services that meet the needs and financial capacity of the community*
- Corporate Maintenance: *well managed and supported corporate fiscal and human resources*

Priority Actions (2013-2014)

A. Infrastructure

- (i) Water Supply – While Council is unanimous that increasing the District's water capacity is a high priority, Council also notes that a significant amount of Council's strategic direction is somewhat dependent on securing an additional/supplemental supply. As a result, Council identified four possible options with respect to water supply, with negotiations with the City of Nanaimo continuing as the highest priority:

Plan A – Increase capacity with the City of Nanaimo as the source.

Plan B – Explore other potential sources of water including Arrowsmith Water Service, private property, boundary extension, and desalinization.

Plan C – Conservation programs encouraging rain water retention, grey water reuse, summer/winter water user rates.

Plan D – take no action – remain status quo.

Plan 'A' and 'B' have the most significant cost implications to the District; however, options exist to generate the necessary funds, including by way of future development and as a result of an MOU executed between the District of Lantzville and Lantzville Projects. Plan 'C' requires further research by staff regarding various conservation initiatives not currently in place in the District.

City of Nanaimo Council, at its June 17, 2013 meeting, voted in favour of providing water to the District of Lantzville by directing their staff to finalize a water supply agreement with the District. City staff then spent the next several months preparing an agreement which received City of Nanaimo Council approval on February 24, 2014. District of Lantzville Council formally received this proposed Lantzville/Nanaimo Water Agreement at its March 24, 2014 Council meeting. District of Lantzville Council then directed staff to prepare a detailed report to Council speaking to the points contained in the proposed water agreement between the City of Nanaimo and the District of Lantzville. Once Council has been provided with the staff report, it will schedule a public meeting to provide an opportunity for public engagement/feedback as it relates to the proposed water agreement.

- (ii) Civic Buildings & Facilities: Costin Hall / Heritage Church – Given the certainty surrounding the use of these facilities resulting from the negotiation of a new lease with the Seaside Community Society in 2012, Council would like to ensure the safety of these structures in addition to contemplating additional uses that may be captured within these buildings. In the fall of 2014 the four remaining upgrades recommended in the Costin Hall seismic assessment from 2011 will be completed. A seismic assessment of the Heritage Church was undertaken in 2013. A report noting the results of the seismic assessment will be prepared and presented to Council in the fall.
- (ii) Village Commercial Core Improvements – Council continues to demonstrate an interest in moving forward with improvements in the downtown (Village Core) area of Lantzville. Council is interested in developing a plan that will encompass form and character, scale, approaches to the downtown area, and more importantly, safe travel of pedestrians and cyclists. Progress has been made on a number of initiatives in this area including: the establishment of the Village Commercial Core Improvement Plan Committee; public engagement on various aspects of the Plan; and funding approved by Council for a streetscape plan and design guidelines for the commercial core.
- (iii) Water Advisory Committee – Council considered establishing a Water Advisory Committee that would advise Council regarding water conservation, public engagement and storm water management measures. Council received a staff report in November 2013 outlining suggestions for the Committee's terms of reference, qualifications of Committee members, and its expected scope of work in November. Council elected to not move forward with this initiative at this time, and simply received the staff report for information.
- (iv) DCC Bylaw – Council gave staff direction to update the District's Development Cost Charge Bylaw to ensure the municipality is charging appropriate fees to those who choose to develop properties and impact infrastructure within the District. At the Committee of the Whole meeting on October 7, 2013, members received presentations from staff and our engineers on the 2013 draft DCC technical report. Further information was provided by staff at the December 9, 2013 Committee of the Whole meeting in response to questions from Council regarding the draft Technical Report. Further works on the review of the DCC Bylaw have been

temporarily postponed given the potential of a water agreement being finalized between the City of Nanaimo and the District of Lantzville.

B. Finances:

Council plans for the community's financial future through its annual financial planning process. As part of this, staff update and enhance the long range capital asset replacement and capital reserve plans annually to assist the District in planning for its long term financial sustainability. Council is also pleased to report that the District, since incorporation, continues to provide services to the citizens of Lantzville without assuming any external debt.

C. Community Planning:

- (i) OCP Update – The District of Lantzville adopted its first Official Community Plan as an incorporated municipality in October of 2005. While the current bylaw suggests that the OCP should undergo a review every 5 – 7 years, it is not a legislated requirement to do so. Therefore, Council directed staff to prepare amendments to the bylaw to only reflect legislative changes and the inclusion of a revised Regional Context Statement given the recently adopted Regional Growth Strategy. These amendments have been completed.
- (ii) Secondary Suites – The 2012 Citizen Satisfaction Survey indicated considerable public interest in legalization of secondary suites. Council supports initiating a public conversation on this topic. The District's Community Planner intends to bring forward recommendations with respect to this process in late fall 2014.

D. Communications:

With the completion of the District's first citizen satisfaction survey in 2012 and feedback from this indicating general support from the community with respect to District communications, Council did not identify any specific objectives in the communications area. However, it continues to be a priority of Council to engage the public in regular, constructive and respectful dialogue. Further, Council and staff both look for alternate means of soliciting public input and creating opportunities for the free and open exchange of information between residents and members of Council. Finally, Council would like to spend time fostering the relationship between members of Council and our neighbor, the Nanoose First Nation, by participating in their community events and continuing dialogue with their governing Council.

E. Parks & Recreation:

Playground Upgrades – One of the top priority projects identified by Council during its 2013 planning session was to consider upgrades to playgrounds, including a variety of equipment. Staff continue to work with the Parks and Recreation Commission to prepare recommendations for playground upgrades in the District, including those already identified in the District's Parks, Trails and Recreation Plan. This also included solicitation of public comments as it relates to a proposed mountain bike facility in Rotary Park.

F. Service Delivery:

Enforcement Policy – Bylaw enforcement was identified as a significant community challenge in the 2012 Citizen Satisfaction Survey and, therefore, Council identified this as one of their strategic priorities. Tom Armet (Manager of Building, Bylaw and Emergency Planning Services, Regional District of Nanaimo) attended Council's Committee of the Whole Meeting on January 13, 2014 to provide an overview of the RDN Bylaw Enforcement Policy. District of Lantzville Council adopted a similar Bylaw Enforcement Policy at its meeting held March 24th, 2014.

It is important to note that bylaw enforcement action is only done subject to receipt of a complaint and that seeking voluntary compliance continues to always be the first step.

G. Corporate Maintenance:

(i) Fire Service Succession – Council, recognizing the value of the Lantzville Fire Department and its volunteer members, wants to ensure it is appropriately supported and resourced. As a result, Council would like a succession plan developed for the fire department, specifically with respect to the officer positions. Staff continue to work with the Fire Chief and Deputy Fire Chief on this initiative.

(ii) Fire Service Planning - Council has also directed staff to work with the Fire Department senior officers to review plans for the District's future fire protective services. This research may include considering alternatives to our current fire services governance structure, having a paid or volunteer Chief, equipment needs in connection with the Fire Underwriters Survey which was completed in April 2013, and issues surrounding the liability and emergency response impacts, if any, of the retirement of members now being non-mandatory.

(iii) Ongoing - Like infrastructure and finance, corporate maintenance consists of a number of components. Items such as legislative reporting requirements, daily operations, agenda preparation, meeting attendance, correspondence preparation, policy research/writing, financial planning process, tax rates bylaw, annual property tax notice, Annual Report, and managing our existing contractual agreements with the Regional District of Nanaimo (a number of functions) are considered to be some of our day-to-day activities and which take the majority of staff time.

In addition to the above, goals in this area are to attract and retain staff, develop succession plans, ensure training and professional development opportunities continue to be available to staff, support volunteers, ensure adequate fire department membership levels and training in addition to recognizing the importance of acknowledging and celebrating the District's successes when appropriate. These ongoing activities certainly have an impact on any remaining time for staff to take on 'supplemental' activities which are not routine and ongoing.

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

In accordance with Section 98(2)(e) and Section 111 of the *Community Charter*, the following is a list of disqualified Council Members.

- None

SCHEDULE OF COUNCIL 2013 REMUNERATION AND EXPENSES

<u>Elected Officials</u>		<u>Remuneration</u>	<u>Expenses</u>
de Jong, Jack	Mayor	\$14,594	\$3,495
Bratkowski, Joe	Councillor	9,194	5,830
Dempsey, Brian	Councillor	9,194	3,044
Haime, Denise	Councillor	9,194	1,928
Millbank, Jennifer	Councillor	9,194	2,298
Mostad, Andrew	Councillor	9,194	3,125
Savage, Graham	Councillor	9,194	1,627
		<u>\$ 69,758</u>	<u>\$21,347</u>

OBJECTIVES & MEASURES

MUNICIPAL SERVICES & OPERATIONS FOR 2012

OVERVIEW OF SERVICES

The District currently provides the following services:

1. General Government
 - Administration
 - Corporate services
 - Financial services
2. Protective Services
 - Fire suppression, prevention, and rescue
 - Emergency preparedness
 - Bylaw enforcement
3. Community Planning
 - Development planning
 - Land development and subdivision approval
 - Building inspections
4. Engineering, Public Works & Parks
 - Transportation services including roads and drainage
 - Waterworks
 - Sewer collection
 - Parks and trails

In 2013, the District continued to contract the following services from the Regional District of Nanaimo: Building Inspection, Bylaw Enforcement, Animal Control, Mapping and Emergency Planning.

DEPARTMENTAL REPORTS

In the following sections, each department's services are described and information on specific objectives and results of operations are presented.

1. GENERAL GOVERNMENT

- **Administration**

The Chief Administrative Officer is responsible for the overall administration of the District's departments. The duties of this office include:

- being an advisor to Council
- implementing corporate policy
- providing leadership and direction for senior staff in the day-to-day and long-term business affairs of the District in accordance with Council goals and objectives.

Progress on 2013 Objectives:

Continue to work with the City of Nanaimo on a permanent/supplemental water supply: With negotiations resuming in 2013, City of Nanaimo Council resolved to move forward with finalizing a water supply agreement with the District. Senior staff of the City of Nanaimo and the District of Lantzville, along with our respective legal counsels, continue to work towards seeing this project to fruition.

Continue to work with the owner of the Foothills lands to develop a mutually beneficial development agreement: While the ownership of the Foothills lands returned to single ownership, the District continues to work towards developing a new phased development agreement that would improve upon the previously negotiated agreement as it relates to the future development of the Foothills lands.

Facilitate completion of remaining 4 critical structural upgrades to Costin Hall: This project was deferred to 2014 and is included in the 2014 Financial Plan.

Undertake seismic assessment of the Heritage Church: Seismic assessment was completed in September. Staff are investigating the findings from this assessment and will report back to Council with recommendations in 2014. The Church's roof was replaced in 2013.

Initiate establishment of Water Advisory Committee: Council received a staff report in November 2013 outlining suggestions for the Committee's terms of reference, qualifications of Committee members, and its expected scope of work in November. Council elected to not establish the committee at this time.

Facilitate review and updating of the District's DCC Bylaw: Members of the Committee of the Whole received presentations from staff and our engineers on the 2013 draft DCC Technical Report and further information was provided in response to questions from Council regarding this report. Further works on the review of the DCC Bylaw have been temporarily postponed given the potential of a water agreement being finalized with the City of Nanaimo.

Objectives for 2014:

- ✓ facilitate completion of Costin Hall seismic and structural upgrades within Financial Plan parameters.
- ✓ complete Heritage Church assessment and provide report to Council with recommendations.
- ✓ complete DCC Bylaw update.

Performance Measures

- ✓ degree of implementation of the above projects
- ✓ increase in basic infrastructure
- ✓ community feedback

- Corporate Services

Corporate Administration is responsible for:

- ensuring accurate minutes of Council and Council committees are prepared
- minutes, bylaws and other records are maintained and safeguarded
- providing access to records
- administering oaths and taking affirmations, affidavits and declarations
- certifying copies of relevant documents
- elections; referendums
- keeping the corporate seal

In addition to the above, the Corporate Services Department continues to develop, enhance and build on communications between other levels of government, various agencies, Council, staff, and residents of the community.

Progress on 2013 Objectives:

Review existing bylaws and policies for relevance and improvements: The Procedure Bylaw has been identified for review and scheduled to begin late summer, early fall 2014.

Continue to enhance and encourage communication with Lantzville residents
Investigate new communication methods and opportunities for soliciting public input: Community updates were distributed to Lantzville residents in 11 of the 12 months in 2013. These updates provided residents with information about the District's initiatives, financial planning and property taxes, water and burning restrictions, opportunities for public input, and other topics that arose during the year. Examples of public engagement during 2013 include:

- Transportation Review
- Team WaterSmart – Rainwater Harvesting and Efficient Irrigation
- SepticSmart Workshop
- RCMP – Community Safety
- Market Gardening
- Village Commercial Core Improvement Plan
- RDN Liquid Waste Management Plan
- Emergency Preparedness – Building Disaster Resilience
- Drinking Water & Watershed Protection Program

Objectives for 2014:

- ✓ facilitate 2014 local municipal election pursuant to legislation
- ✓ review of Procedure Bylaw and provide report to Council with recommendations for changes
- ✓ review and recommend to Council a review of other District bylaws for applicability and relevance

Performance Measures:

- ✓ increased community feedback and involvement in District decision-making processes as a result of the various communication methods used by the District
- ✓ increased communications between members of Lantzville Council and Nanoose First Nation Council
- ✓ adoption of bylaws & policies
- ✓ 2014 municipal election conducted pursuant to legislation
- ✓ Council receipt of report on Procedure Bylaw

- Financial Services

The Finance Department's responsibilities include:

- levying and collecting municipal taxes and utility rates
- preparing accurate and full accounts of the District's financial affairs
- developing, monitoring & implementing the District's financial plan
- safeguarding and managing the District's assets
- reporting on the District's financial position
- developing and maintaining financial information systems and internal controls
- developing and monitoring long-range financial plans

Progress on 2013 Objectives:

Update long range financial plan for Fire Department assets giving consideration to recommendations in the 2013 Fire Underwriters Survey: The Long Term Capital Asset Plan was updated to reflect the 2013 Fire Underwriters Survey and other changes with respect to the replacement of significant District assets and was provided to Council at its January 20, 2014 Committee of the Whole meeting regarding the 2014-2018 Financial Plan.

Update the District's purchasing and payment policy to reflect regulatory and technological changes: Staff intend to complete this during 2014 and provide to Council for review and approval.

Provide periodic financial reports to Council during the year: Council received quarterly financial reports with information about the District's financial activities during the previous 3 months.

Completion of all legislated reporting requirements: All 2013 reports required by legislation, including the Statement of Financial Information, DCC and grant reports, Local Government Data Entry, and audited Financial Statements, were completed on time.

Objectives for 2014:

- ✓ update the District's purchasing and payment policy to reflect regulatory and technological changes, including giving consideration to the findings presented in the recent Auditor General for Local Government's report, *Oversight of Capital Project Planning & Procurement*.
- ✓ provide periodic financial reports to Council
- ✓ complete all legislated reporting requirements

Performance Measures:

- ✓ adequate cash position to conduct planned municipal business
- ✓ quarterly financial progress reports prepared and made available to Council and Lantzville residents
- ✓ completion of update to purchasing and payment policy

2. PROTECTIVE SERVICES

- **Fire Suppression, Prevention and Rescue**

The Lantzville Volunteer Fire Department (Fire Rescue) provides the District's fire suppression, victim rescue/extrication, fire prevention, First Responder, fire inspection and public education services.

Progress on 2013 Objectives:

Facilitate succession planning process for the Fire Department, specifically with respect to the officer positions. The Fire Chief has assigned a lieutenant to work with a Captain in each of several functional areas within the Department. This will provide a level of duplication in the event of an Officer's absence, and also provide training in each of these areas for succession planning for Officer positions. Staff will continue to work with the Fire Department on succession planning in 2014.

Review plans for the District's future fire protection services, including alternatives to current fire services governance structure, paid vs volunteer Chief and officers, and equipment needs in connection with the Fire Underwriters Survey: Due to work load and other priorities relating to the Fire Department (e.g. purchase of fire truck), this work was not completed. Staff will address this review in 2014.

Review recommendations from the 2013 Fire Underwriters Survey (FUS) and prepare a report to Council with recommendations for implementation. At its June 24, 2013 Committee of the Whole Meeting Council received a report which outlined action plans responding to recommendations identified in the 2013 FUS Report. The following summarizes some of the progress on these plans:

- a tender was awarded for the purchase of a new pumper/rescue truck which is expected to be delivered in Fall 2014;
- the long range capital replacement plan was updated to incorporate the apparatus replacement schedule suggested in the FUS report;
- the Fire Truck Capital Reserves contribution amount was evaluated and increased as part of the 2014-2017 Financial Plan process;
- all officers were trained on the Fire Department's database management system, FirePro.
- the implementation of pre-incident planning and fire inspection programs began with training two more officers to perform fire inspections, purchase of site plan software, and beginning inspections in accordance with the District's Fire Protection Services Bylaw.

Retain sufficient volunteer member levels: The Department recruited 6 new members in November 2013 and maintained a complement of approximately 30 members through 2013. Five members were recognized with long service awards in March 2014, including 2 for 25 years of service.

Ensure adequate training of volunteer membership: With the direction of Deputy Chief Marment and Captain Weflen training was provided for all membership ranks during the year.

Continue with regular communications between Council and members of the Department: The Fire Chief provided 6 reports, detailing the Fire Department's activities and various operational statistics, to Council for inclusion in regular Council meetings during 2013. This reporting format will be done on a quarterly basis as we move into 2014.

Completion of public building inspections in accordance with the District's bylaw: Two officers attended fire inspection training and were certified as Local Assistants to the Fire Commissioner (LAFC), bringing the total to five LAFC's in the Department. These officers completed four fire inspections in December 2013 and have completed 22 so far in 2014.

Objectives for 2014:

- ✓ continue with implementation of action plans from the 2013 FUS report recommendations
- ✓ complete fire inspections in accordance with the District's bylaw
- ✓ retain sufficient volunteer member levels
- ✓ ensure adequate training of volunteer membership
- ✓ continue with regular communications with members of the Department

Performance Measures:

- ✓ effective use of the FirePro system by using outputs for reporting and decision-making
- ✓ degree of compliance with Fire Underwriters' Survey recommendations
- ✓ effective and efficient responses to fire, accident, and health emergency events
- ✓ member readiness when attending various calls
- ✓ public readiness in case of fire-related emergency

- **Emergency Management**

The District has contracted with the Regional District of Nanaimo for the provision of emergency preparedness, response and recovery services. This contractual arrangement has the Regional District of Nanaimo providing the District of Lantzville with an Emergency Program Coordinator (EPC) on a permanent basis, as well as access to two alternate EPC's in emergency circumstances.

Progress on 2013 Objectives:

Attendance and participation by the EPC in various emergency preparedness conferences, Mid-Island Emergency Coordinators and Managers Committee(MIECM), and the Regional Community Recovery (RCR) Working Group: Our EPC attended the MIECM and RCR working group meetings throughout the year, annual emergency preparedness and business continuity conference in Vancouver, 'Together We Can - Cultural Awareness for First Responders' (Police Victim Services of BC), Mid Island Coastal Climate Change Adaptation Workshop, BC Association of Emergency Managers (BCAEM) AGM, Justice Institute of BC online courses ('Building Situational Awareness in the EOC', 'The Incident Command Post and the EOC Interface', 'Flood Response and Recovery', 'EOC Activation', and 'Social Media and Emergency Management'), as well as a 'Fostering Sustainable Behaviour' workshop.

Ongoing recruitment, orientation and training of local ESS volunteers to ensure operation readiness: The 2013 ESS recruitment plan was successful and as of May 2014 there are 20 regular members who are training and learning how to operate an activated Reception Centre. Recruitment is ongoing and a training plan is in place.

Establish more Neighbourhood Emergency Preparedness (NEP) groups, focusing on local emergency preparedness and mitigation, and participation in Minetown Day to promote public education and preparedness: EPC attended the 2013 Minetown Day. Two NEP groups have been established.

Coordination of continuing emergency preparedness training for District staff as needed: 2 new staff members undertook basic emergency preparedness training, 1 took an EOC course, and 2 staff and 1 Councillor participated in a senior level table top exercise.

Coordination of emergency preparedness training for elected officials: The EPC provided updates to Council throughout the year on Emergency Program activities and progress.

Continuing community communications regarding earthquake and general emergency preparedness: The EPC provided information to local residents and Seaview Elementary regarding the annual Great BC Shakeout, provided information through the Lantzville Log and District website, and provided brochures at the District office, various local businesses, and at the Lantzville Farmers' Market.

Objectives for 2014:

- ✓ EPC's continuing attendance at various conferences/workshops and participation in the Mid-Island Emergency Program Coordinators Committee, Regional Community Recovery Working group (focus on recovery/resilience in the community), and BC Association of Emergency Managers.
- ✓ ongoing recruitment, orientation and training of local ESS volunteers to ensure operational readiness
- ✓ ongoing establishment of Neighbourhood Emergency Preparedness (NEP) groups and participation in Minetown Day to promote public education and preparedness.
- ✓ facilitate one-day NEP workshop in Fall 2014
- ✓ coordinate continuing emergency response training for District staff as needed
- ✓ coordinate emergency response training for elected officials, including presenting an Emergency Plan Overview at a Council Meeting.
- ✓ participate in Emergency Preparedness Week in May 2014
- ✓ continue community communications and presentations regarding emergency preparedness
- ✓ participate in a region-wide table top earthquake scenario exercise with RDN scheduled for 2014.

Performance Measures:

- ✓ education and training that facilitates EPC, staff and Council competencies to effectively respond to and recover from an emergency or disaster
- ✓ number of NEP and ESS volunteers recruited
- ✓ Emergency Response Centre is operational
- ✓ EOC supplies are current and emergency communications capacity is sufficient

- **Bylaw Enforcement**

The District has a contractual arrangement with the Regional District of Nanaimo to provide bylaw enforcement services to Lantzville residents. A bylaw enforcement officer investigates complaints from residents relating to such matters as dangerous animal control, noise, and land use matters. The District's policy when dealing with enforcement issues are investigated upon complaint in addition to seeking voluntary compliance whenever possible.

Progress on 2013 Objectives:

Review the existing enforcement policies and protocols of the Regional District of Nanaimo, propose amendments to these where appropriate and/or recommend establishment of the District's own bylaw enforcement policies: Tom Armet (Manager of Building, Bylaw and Emergency Planning Services, Regional District of Nanaimo) attended Council's Committee of the Whole Meeting to provide an overview of the RDN Bylaw Enforcement Policy. In March 2014 the District of Lantzville adopted a similar bylaw enforcement policy. Lantzville will continue to address enforcement violations on a complaint basis.

Reporting to Council at its in-camera meetings periodically during the year:

Council received monthly by-law enforcement updates from RDN staff and more detailed reports on specific properties as requested by Council or the CAO. The CAO, working with Bylaw Enforcement staff at the RDN, have established a new report structure with respect to enforcement issues. This new structure will provide an ongoing synopsis of steps taken as it relates to each infraction being investigated or that has been investigated.

Objectives for 2014:

- ✓ reporting to Council at its in-camera meetings periodically during the year

Performance Measures:

- ✓ Council receipt of bylaw enforcement reports
- ✓ number of contraventions resolved on a voluntary basis

3. COMMUNITY PLANNING

- **Land Use Planning**

The primary role of the Planning Department is to provide the District with a planning program to promote the orderly and economical development of the community by adhering to the District's OCP, Zoning and Subdivision Bylaws. Until April 2013, the District provided this service through a planning consultant. In April a Community Planner was hired on a part-time basis.

Progress on 2013 Objectives:

Preparation of OCP revisions for Council's review and approval: Council adopted an updated Regional Context Statement, showing consistency between the District's OCP and the 2011 Regional Growth Strategy. Following the completion of the Transportation Review, Council also considered and adopted an update to the OCP map showing the municipal road network, trails and facilities.

Initiate process for considering urban agriculture on a community wide basis: A process was initiated in May 2013 to look at options for supporting urban agriculture on a community-wide basis. An Urban Agriculture Ideas Jam was held in September, and policy recommendations came forward in December. An amendment to the zoning bylaw, permitting market gardening as a home based business, was adopted in May 2014.

Initiate planning process for village core improvements: Background research for an improvement plan began in the summer of 2013. A Select Committee of community members was struck in September 2013, and met throughout the winter and spring to develop a plan. A public engagement event on desired form and character was held in January 2014, and a design workshop was held in February. Staff have drafted a plan which the committee is working through, and anticipate bringing for further public feedback and Council consideration within 2014.

Initiate public conversation regarding the legalization of secondary suites: A public conversation was not initiated in 2013 and is instead anticipated to take place in 2014. However, staff monitored the process of the RDN legalizing secondary suites in electoral areas, and background research was initiated in May 2014.

Facilitate amendments to the land use bylaws (i.e. OCP, Zoning) when required:

One application from a private organization for a zoning amendment was finalized in 2013, and one additional application was received and the process was initiated. A zoning amendment to keep pace with the change in the federal marihuana regulations was also completed.

Objectives for 2014:

- ✓ Council adoption of the Village Commercial Core Improvement Plan, and initiation of the detailed design for streetscape improvements
- ✓ research and public engagement regarding the legalization of secondary suites
- ✓ Council consideration of a pesticide bylaw
- ✓ Council approval of land use bylaws (i.e. OCP, Zoning) when required.

Performance Measures:

- ✓ Council approval of OCP revisions and amended zoning bylaws, after consultation with residents and other interested parties/stakeholders
- ✓ applicant satisfaction
- ✓ developer satisfaction

- **Land Development and Subdivision Approval**

The Approving Officer processes subdivision applications to ensure that all legislative requirements are met, District policies and bylaws are adhered to, and that development approval is coordinated among District departments and outside agencies. Council appointed Meredith Seeton, the District's Community Planner, to this role in April 2013.

Progress on 2013 Objectives:

Land development/subdivision applications are processed appropriately:

Subdivision applications/approvals were done in a timely manner and in accordance with legislative requirements and District bylaws and policies. During the year 4 final approvals were issued for subdivisions and 7 development permits were issued.

Objectives for 2014:

- ✓ subdivision applications/approvals are done in a timely manner
- ✓ subdivision applications/approvals are given subject to legislative requirements and that adhere to District's low impact development standards
- ✓ subdivision applications/approvals are given subject to application of the District's various applicable bylaws and policies

Performance Measures:

- ✓ timely manner in which subdivision applications/approvals are processed
- ✓ subdivisions are developed to the standards pursuant to District bylaws

- **Building Inspection**

Building Inspectors enforce the Building Code and regulatory bylaws governing building, heating, plumbing, and zoning. The District contracts with the Regional District of Nanaimo to provide Building Inspection services to the residents of Lantzville.

Progress on 2013 Objectives:

Building permits applications/approvals are done in a timely manner in accordance with regulations: Building permits were issued on a timely basis in accordance with regulatory and legislative requirements including District bylaws.

Objectives for 2014:

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

Performance Measures:

- ✓ timely manner in which applications/approvals are processed

4. ENGINEERING, PUBLIC WORKS & PARKS

The District has two full-time and one seasonal staff in this department which ensures the safe and efficient operation of the District's waterworks, the sanitary sewer collection systems, storm drainage systems, parks, municipal buildings, signage and other related facilities and equipment. In addition, a summer student is hired to assist with the maintenance of parks on a short-term basis.

- **Transportation, Roads and Drainage**

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

Progress on 2013 Objectives:

Facilitate completion of road resurfacing projects in the 2013 Capital Plan, including Ware Road and Tremblay Drive: the contract for the 2013 road resurfacing projects was awarded to Locar Industries Ltd. and the works were completed in October within the amount budgeted.

Facilitate completion of 2013 watermain replacement on Peterson Road: the contract for the 2013 watermain replacement project was awarded to Locar Industries Ltd. and the works were completed in September within the amount budgeted.

Review implications of Road Network Plan and present report to Council with recommendations for implementation: Council received a presentation of the findings of the Road Network Plan by Boulevard Transportation Group at its March 25, 2013 Council meeting. A staff report summarizing proposed action steps related to the recommendations included in this report was considered at the June 24, 2013 Committee of the Whole meeting, and related resolutions giving staff direction in this regard were made by Council at its July 8, 2013 meeting.

Objectives for 2014:

- ✓ to promote safe travel for vehicles, pedestrians and cyclists
- ✓ facilitate completion of road resurfacing projects in the 2014 Capital Plan, including Millard, Shangri-La, Mrus and Hall Roads
- ✓ facilitate replacement of culvert on Knarston Creek at Superior Road

Performance Measures:

- ✓ completion of Capital Plan projects within Financial Plan parameters
- ✓ feedback from residents regarding road maintenance

- **Waterworks**

The District supplies and distributes water for household use, commercial and fire suppression purposes to approximately 900 properties. The District is responsible for ensuring that the water it supplies meets strict drinking water quality guidelines.

The District is also responsible for maintaining and improving the equipment and infrastructure related to this supply and distribution system.

Progress on 2013 Objectives:

Ensure the District provides safe reliable water for drinking purposes: District staff conducted the required weekly and other periodic water testing and the Vancouver Island Health Authority found all results to be satisfactory.

Protect the community aquifer by continuing to provide and promote water conservation programs and initiatives: Council continued to support the low-flush toilet rebate program with \$2,000 allocated in the 2013 Financial Plan. Twelve residents received rebates totaling \$1,360 in 2013. Further, residents were advised of watering restrictions via Community Updates, the District website, and notices in the utility billings or hand-delivered to homes. Twenty residents with high water consumption also received information from the RDN Team WaterSmart “irrigation audit” program regarding suggestions for reducing water consumption.

Objectives for 2014:

- ✓ facilitate completion of 2014 watermain replacement on Lancrest Terrace identified in the 2014 Capital Plan
- ✓ facilitate rehabilitation of well identified in the 2014 Capital Plan
- ✓ facilitate completion of the Wellfield Management Plan included in the 2014 Financial Plan
- ✓ ensure that the District provides safe reliable water for drinking purposes
- ✓ initiate the planning process for the provision of a new reservoir
- ✓ ensure that the District system operates with adequate flows for fire protection purposes
- ✓ protect the community aquifer through water conservation strategies such as public education, watering restrictions, tiered water consumption rates
- ✓ continue to promote the low-flush toilet rebate program

Performance Measures:

- ✓ completion of capital and operating projects within the 2014 Financial Plan parameters
- ✓ satisfactory results from ongoing water sampling procedures
- ✓ reduction in water consumption, particularly in the peak summer months
- ✓ number of low-flush toilet rebate monies returned to property owners

- Sewer Collection

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

Objectives for 2014:

- ✓ ensure the District operates its sanitary sewer collection system in accordance with federal and provincial regulations

Performance Measures:

- ✓ adherence to regulations in the operations of the sanitary sewer collection system
- ✓ degree of individual connections to Phase 2 of the sanitary sewer collection system

- **Parks and Recreation**

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

Progress on 2013 Objectives:

Continue implementation of the Parks, Trails and Recreation Plan as approved by Council and included in the 2013-2017 Financial Plan: progress was made on various Plan initiatives including installation of fisheries signage on Bloods Creek and trail construction, and the District's annual community celebration, Mine Town Day, was held on September 7, 2013.

Work with Parks and Recreation Commission (PRC) to prepare recommendations for playground upgrades in the District: The 2015 Financial Plan includes an amount allocated for Park Facilities which may include playground upgrades.

Facilitate construction of trails on Ware Road, Romac Road and North Road per the District's Trails and Journeyways Plan within the 2013-2017 Financial Plan parameters: Construction of trails on Ware Road and Romac Road were completed during 2013 within budget parameters. Construction of the North Road trail and bridge crossing began in 2013 and will be completed in 2014.

Objectives for 2014:

- ✓ facilitate construction of trail on North Road per the District's Trails and Journeyways Plan within the 2014 Financial Plan parameters

Performance Measures:

- ✓ completion of Parks, Trails and Recreation Plan items identified in the 2014 Financial Plan
- ✓ construction of trail identified in the 2014 Financial Plan

STATEMENT OF PERMISSIVE PROPERTY TAX EXEMPTIONS

In accordance with Section 98(2)(b) of the *Community Charter*, the following properties in the District of Lantzville were provided permissive property tax exemptions by Council:

Property Address/ Description	Owner	Lessee – Occupant	Exemption	2013 Taxation Exemption (Includes Municipal and Other)
7113 Lantzville Road	Anglican Synod Diocese of BC	St. Phillip's by the Sea Anglican Church	Land & Improvements	\$2,078
7244 Lantzville Road (Church)	District of Lantzville	Seaside Community Society – Woodgrove Christian Community Church	Land & Improvements	\$2,090
Lot 1, Plan 9671, DL 27G (School Road Tennis Courts – Parking Lot)	District of Lantzville	Seaside Community Society, Legion and School District #68	Recreation Land	\$2,882
7225 Lantzville Road	Seaview Centennial Branch #257 of the Royal Canadian Legion	—	Land & Improvements	\$6,405
7232 Lantzville Road (Costin Hall)	District of Lantzville	Seaside Community Society	Land & Improvements	\$9,228
7660 Clark Drive	0719488 BC Ltd.	Aspengrove School	Land & Improvements	\$14,237
Railways within District boundaries	Island Corridor Foundation	—	Land & Improvements	\$21,051



DISTRICT OF LANTZVILLE

Financial Statements

Year ended December 31, 2013

District of Lantzville
Financial Statements
For the Year Ended December 31, 2013
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**District of Lantzville
Financial Statements
December 31, 2013**

Management's Responsibility for the Financial Statements

The accompanying financial statements of the District of Lantzville (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with public sector accounting principles established by The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Mayor and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Mayor and Council are also responsible for the appointment of the District's external auditors.

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

April 28, 2014



Twyla Graff
Chief Administrative Officer



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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the District of Lantzville

We have audited the accompanying financial statements of the District of Lantzville which comprise the statement of financial position as at December 31, 2013, the statements of operations, change 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 the 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 control relevant to the entity'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 entity's internal control. 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion

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

KPMG LLP

Chartered Accountants

April 28, 2014

Victoria, Canada

District of Lantzville



STATEMENT OF FINANCIAL POSITION

As at December 31, 2013 with comparative information for 2012

	2013	2012
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 7,102,194	\$ 6,528,887
Accounts receivable (Note 3)	342,942	364,614
	<u>7,445,136</u>	<u>6,893,501</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	\$ 285,091	\$ 331,900
Deferred revenue (Note 5)	1,249,392	1,056,425
Deposits (Note 6)	27,844	15,229
	<u>1,562,327</u>	<u>1,403,554</u>
Net Financial Assets	<u>\$ 5,882,809</u>	<u>\$ 5,489,947</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7 and Schedule A)	\$ 31,775,582	\$ 31,737,150
Prepaid expenses	11,854	10,020
	<u>31,787,436</u>	<u>31,747,170</u>
ACCUMULATED SURPLUS (Note 8)	<u>\$ 37,670,245</u>	<u>\$ 37,237,117</u>


Commitments and contingencies are specified in Note 12

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

On behalf of the Municipality:



Jack de Jong, Mayor



Jedha Holmes, CA, Director of Financial Services

District of Lantzville



STATEMENT OF OPERATIONS

For the year ended December 31, 2013 with comparative information for 2012

	2013 Financial Plan (Note 13)	2013	2012
REVENUE			
Taxation (Note 9)	\$ 1,460,875	\$ 1,462,202	\$ 1,426,927
Government grants and transfers (Note 10)	301,530	301,068	651,780
Utility taxes and fees	1,075,890	1,100,582	1,032,971
Services and fees (own sources)	67,860	87,760	85,826
Grants in lieu of taxes	73,200	76,421	75,523
Interest	35,000	71,608	66,462
Other	28,544	57,155	60,033
	\$ 3,042,899	\$ 3,156,796	\$ 3,399,522
EXPENSES (Note 11)			
General government	\$ 716,450	\$ 670,026	\$ 703,297
Transportation services	390,790	654,368	637,400
Protective services	319,230	361,777	320,138
Sewer	126,365	223,710	213,938
Water	243,940	319,092	274,142
Solid waste collection	195,800	195,556	177,393
Parks and recreation	174,864	119,154	129,922
Legislative services	115,260	110,417	111,576
Planning and environmental development	72,000	69,568	39,611
	\$ 2,354,699	\$ 2,723,668	\$ 2,607,417
SURPLUS FOR THE YEAR	\$ 688,200	\$ 433,128	\$ 792,105
Accumulated surplus, beginning of year	36,445,012	37,237,117	36,445,012
ACCUMULATED SURPLUS, END OF YEAR	\$ 37,133,212	\$ 37,670,245	\$ 37,237,117

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

District of Lantzville



STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2013 with comparative information for 2012

	2013 Financial Plan (Note 13)	2013	2012
SURPLUS FOR THE YEAR	\$ 688,200	\$ 433,128	\$ 792,105
Purchase of tangible capital assets	(873,608)	(758,349)	(820,668)
Amortization of tangible capital assets	-	716,337	692,551
Loss on the sale of tangible capital assets	-	3,580	20,524
Proceeds on sale of tangible capital assets	-	-	2,238
	(185,408)	394,696	686,750
Acquisition of prepaid expense	-	(11,854)	(10,020)
Use of prepaid expenses	-	10,020	6,017
	-	(1,834)	(4,003)
Increase (decrease) in net financial assets	(185,408)	392,862	682,747
Net financial assets, beginning of year	5,489,947	5,489,947	4,807,200
NET FINANCIAL ASSETS, END OF YEAR	\$ 5,304,539	\$ 5,882,809	\$ 5,489,947

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

District of Lantzville



STATEMENT OF CASH FLOWS

For the year ended December 31, 2013 with comparative information for 2012

	2013	2012
Net inflow (outflow) of cash related to the following activities:		
OPERATING		
Surplus for the year	\$ 433,128	\$ 792,105
Items not involving cash:		
Amortization of tangible capital assets	716,337	692,551
Loss on the sale of tangible capital assets	3,580	20,524
	<u>719,917</u>	<u>713,075</u>
Change in non-cash operating assets and liabilities:		
Accounts receivable	21,672	729,877
Accounts payable and accrued liabilities	(46,809)	(109,080)
Deferred revenue	192,967	203,661
Deposits	12,615	(400)
Prepaid expenses	(1,834)	(4,003)
Cash provided by operating transactions	<u>\$ 1,331,656</u>	<u>\$ 2,325,235</u>
CAPITAL		
Purchase of tangible capital assets	\$ (758,349)	\$ (820,668)
Proceeds from sale of tangible capital assets	-	2,238
Cash used by capital transactions	<u>\$ (758,349)</u>	<u>\$ (818,430)</u>
Increase in cash and cash equivalents	\$ 573,307	\$ 1,506,805
Cash and cash equivalents, beginning of year	6,528,887	5,022,082
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,102,194</u>	<u>\$ 6,528,887</u>

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

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

The District of Lantzville is a municipality that was incorporated on June 25, 2003 pursuant to the issue of Letters Patent dated April 3, 2003.

The District operates under the provisions of the *Local Government Act* and *Community Charter of British Columbia*.

The District's principal activities include the provision of local government services to residents of the incorporated area. These services include general government, fire protection, solid waste collection, parks and recreation, planning and development, and water and sewer services.

1. Significant Accounting Policies

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

(a) Reporting Entity:

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

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

(b) Basis of Accounting:

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

(c) Revenue Recognition:

Property tax revenue is recognized on the accrual basis using the approved tax rates and the anticipated assessment related to the current year.

Parcel tax revenues are recognized in the year that they are levied.

Water and sewer fees are recognized when the commodity or services have been received by the customer. Government transfers with stipulations are recognized as revenue when authorized and eligibility criteria have been met, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability.

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



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

1. Significant Accounting Policies (continued)

(d) Deferred Revenue:

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation, and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred, development cost charges are recognized as revenue in amounts which equal the associated expenses.

(e) Cash and Cash Equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(f) Employee Future Benefits:

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

Sick leave and other retirement benefits are also available to the District's employees. The costs of these benefits are estimated based on the actual service and expected retirement ages and future salary and wage increases for employees. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(g) Non-Financial Assets - Tangible Capital Assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business.

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful life of the asset commencing in the year the asset is put into service.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

1. Significant Accounting Policies (continued)

(g) Non-Financial Assets - Tangible Capital Assets (continued):

Asset	Rate
Buildings	15 - 80 years
Equipment	5 - 10 years
Land Improvements	10 - 50 years
Roads Infrastructure	10 - 75 years
Vehicles	10 - 25 years
Sewer Infrastructure	10 - 100 years
Water Infrastructure	10 - 100 years

Repair and maintenance costs are charged to expense. Betterments which extend the estimated useful life of an asset or enhance the service potential of capital assets are capitalized.

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

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

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.

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

(h) Use of Estimates:

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

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative Information for 2012

1. Significant Accounting Policies (continued)

(i) Changes in Accounting Policies:

Effective January 1, 2013, the District adopted PS3410 "Government Transfers" under Public Sector Accounting Standards. The new section required that in order for unspent government grants received to be deferred into future periods, the criteria of a liability must be met such that the amounts may have to be repaid to the transferring government if the terms of the grant are not met.

The new standard is applied on a prospective basis. There was no change in the historical treatment of revenues as a result of the adoption of the new standard.

The District adopted Public Sector Accounting Standards PS3510, "Tax Revenue" effective January 1, 2013. Under PS3510, municipalities recognize property tax revenue using the approved tax rate and the anticipated assessment. The standard requires that property tax revenue be reported net of tax concessions. Tax transfers are reported as an expense and taxes levied on behalf of others in a flow through arrangement are not reported in the statement of operations.

This standard was adopted on a prospective basis. There were no adjustments as a result of the adoption of this standard.

(j) Future Accounting Pronouncements:

A number of new standards and amendments to standards are not yet effective for the year ended December 31, 2013 and have not been applied in preparing these financial statements. Those expected to potentially impact the financial statements of the Municipality are as follows:

(i) PS3450 Financial Instruments:

Financial Instruments PS3450 and Foreign Currency Translation PS2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2016. The standards are to be adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Under PS3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the entity's accounting policy choices.

(ii) PS3260 Contaminated Sites:

This section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites. The Municipality will be required to recognize a liability when contamination exceeds an accepted environmental standard and the Municipality is directly responsible, or accepts responsibility for, the damage. The liability will be measured at the Municipality's best estimate of the costs directly attributable to remediation of the contamination. The Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of adoption of this standard is being evaluated by management and is not known or reasonably estimable at this time.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

2. Cash and Cash Equivalents

December 31 cash balances include amounts designated for specific future capital expenditures, restricted revenues and various deposits, as follows:

	2013	2012
RESTRICTED CASH		
Statutory reserves (Note 8)	\$ 3,203,841	\$ 3,039,085
Restricted revenues - deferred revenue (Note 5)	1,249,392	1,056,425
Restricted revenues - deposits (Note 6)	27,844	15,229
	4,481,077	4,110,739
UNRESTRICTED CASH		
Cash available for operations	2,621,117	2,418,148
	\$ 7,102,194	\$ 6,528,887

Cash deposited at the Coastal Community Credit Union earns interest at the rate in the range of prime minus 1 to 2%. Cash deposited at the Municipal Finance Authority totaling \$1,074,615 at December 31, 2013 (\$1,062,934 at December 31, 2012) is invested in the MFABC Money Market Fund which earned an effective yield of 1.10% (2012 - 1.05%) and whose market value is equal to its cost.

3. Accounts Receivable

Accounts receivable comprise the following as at December 31:

	2013	2012
Other governments	\$ 23,113	\$ 51,342
Property and parcel taxes	202,928	202,446
User fees and other	116,901	110,826
	\$ 342,942	\$ 364,614

4. Accounts Payable

Accounts payable comprise the following as at December 31:

	2013	2012
General	\$ 125,437	\$ 163,299
Other governments	78,910	86,616
Employee benefit obligations	80,744	81,985
	\$ 285,091	\$ 331,900

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

4. Accounts Payable (continued)

(a) Employee Benefit Obligations:

Included in Accounts Payable are employee benefit obligations comprised of the following as at December 31:

	2013	2012
Accrued vacation	\$ 3,498	\$ 6,606
Accrued sick leave	77,246	75,379
	\$ 80,744	\$ 81,985

Employee benefit obligations represent accrued benefits as at December 31, 2013. Accrued vacation is the amount of vacation entitlement carried forward into the next year. Employee benefit obligations also include accumulated sick leave banks that may be drawn down in future years. These sick leave entitlements may only be used while employed by the District and are paid out on retirement under certain conditions. Included in expenses is \$1,867 (2012 - \$6,657) related to sick leave usage in the year.

The significant assumptions used in estimating sick leave benefit obligations are as follows:

	2013	2012
Discount rate	4%	3%
Rate of salary increase	2.5%	2.5%

(b) Municipal Pension Contingency

The District and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trustee 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.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be at December 31, 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 District paid \$47,495 (2012 - \$46,636) for employer contributions, while employees contributed \$47,073 (2012 - \$46,392) to the Plan in fiscal year 2013.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

5. Deferred Revenue

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

	2012	Receipts	Interest	Revenue	2013
Community Works					
(Gas Tax) Funds	\$ 560,966	\$ 148,341	\$ 5,653	\$ -	\$ 714,960
Development Cost					
Charges	299,710	36,976	2,831	-	339,517
Administration and					
Inspection fees	109,442	-	-	-	109,442
Phase 1 sewer op. costs	31,232	-	-	(2,162)	29,070
Prepaid property taxes	40,574	43,378	-	(40,574)	43,378
Prepaid Utility Fees	2,214	918	-	(2,214)	918
Treaty Negotiation Grant	11,322	-	-	-	11,322
Prepaid tax certificates	965	785	-	(965)	785
	\$ 1,056,425	\$ 230,398	\$ 8,484	(45,915)	\$ 1,249,392

Community Works (Gas Tax) Funds

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

Development Cost Charges

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

	2012	Receipts	Interest	Revenue	2013
Water	\$ 97,088	\$ 7,787	\$ 899	\$ -	\$ 105,774
Sewer	41,517	-	369	-	41,886
Drainage	39,008	11,808	400	-	51,216
Highway Facilities	72,997	9,678	693	-	83,368
Parkland	49,100	7,703	470	-	57,273
	\$ 299,710	\$ 36,976	\$ 2,831	\$ -	\$ 339,517

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

6. Deposits

Deposits are comprised of the following as at December 31:

	2013	2012
Performance deposits	\$ 27,844	\$ 15,229

Performance deposits are funds collected from various property developers and held as security to ensure the completion of specified agreed on works. These funds will be released once the related works are completed, or used by the District to complete the works for which they are held.

7. Tangible Capital Assets (Schedule A)

Land is comprised of land under roads, parks and tennis courts, well fields, and land under and around District buildings. Land improvements include playground equipment, playing fields and tennis courts, and parking lots.

Assets under construction having a value of \$50,003 (2012 - \$5,120) have not been amortized. Amortization of these assets will commence when the asset is put into service.

8. Accumulated Surplus

Operating Funds - These funds comprise the principal operating activities of the District and include funds for general government, sewer and water services.

Capital Funds - These funds are used to record the acquisition and disposal of tangible capital assets and related financing. These funds include general, sewer and water capital funds.

Reserve Funds - These funds have been created to hold assets for specific future requirements. They are comprised of the statutory reserve funds shown in Note 2. Certain amounts, as approved by Council, are set aside in reserves for future capital expenditures. Transfers to and/or from are reflected as an adjustment to the respective fund.

Accumulated surplus is comprised of the following as at December 31:

	2013	2012
Operating Fund	\$ 2,690,822	\$ 2,460,882
Statutory Reserve Funds (Schedule B)	3,203,841	3,039,085
Equity in Tangible Assets	31,775,582	31,737,150
	\$ 37,670,245	\$ 37,237,117

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

8. Accumulated Surplus (continued)

Operating Funds:

	General	Water	Sewer	Total
Opening balance	\$ 2,459,848	\$ 858,065	\$ (857,031)	\$ 2,460,882
Surplus (deficit) for the year	180,109	133,476	93,592	407,177
Transfers (to) from to Capital Funds	(25,197)	(116,174)	102,938	(38,433)
Transfer to Reserve Funds	(542,625)	(236,300)	(81,231)	(860,156)
Transfers from Reserve Funds	503,044	218,308	-	721,352
Closing balance	\$ 2,575,179	\$ 857,375	\$ (741,732)	\$ 2,690,822

Equity in Tangible Capital Assets:

	2013	2012
Opening balance	\$ 31,737,150	\$ 31,631,795
Add: Purchases of tangible capital assets	758,349	820,668
Less: Proceeds on disposal	-	(2,238)
Less: Loss on disposal	(3,580)	(20,524)
Less: Amortization	(716,337)	(692,551)
	\$ 31,775,582	\$ 31,737,150

9. Taxation

The District is required to collect taxes on behalf of, and transfer these amounts to, other government agencies noted below.

	2013	2012
Property taxes collected	\$ 4,424,286	\$ 4,445,714
Less transfers to other governments:		
School District	1,836,555	1,896,150
School District - policing	191,668	181,324
Regional Hospital District	166,031	169,597
Regional District of Nanaimo	567,491	576,112
BC Assessment	47,096	48,850
Municipal Finance Authority	148	157
Vancouver Island Regional Library	153,095	146,597
	2,962,084	3,018,787
Municipal property taxes	\$ 1,462,202	\$ 1,426,927

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

10. Government Grants and Transfers

	2013	2012
Operating transfers from provincial government:		
Strategic Communities Investment Fund Grant	\$ 291,640	\$ 623,994
Other	9,428	4,784
	301,068	628,778
Capital transfers:		
Canada/BC Infrastructure Grant	-	23,002
	\$ 301,068	\$ 651,780

11. Expenditure by Object and Segment

The financial statements report on expenditures by function. The District's expenditures by object are reported in Schedule C - Schedule of Segment Disclosures.

Costs included in the District's financial plan are determined for each segment based on Council's approval of management recommendations as a result of Council's overall vision and strategy for the District. Financial Plan revenues from fees and charges, external funding, or internal allocations from reserves and accumulated surplus are also determined in the same manner. Actual expenditures are coded at the time of purchase to the appropriate segment and some payroll expenditures are allocated based on a pre-determined allocation consistent with the annual financial plan.

The segments included in the schedule are as follows:

General Government includes all administrative aspects of the District including property tax collection, council, and general services to the residents of the District.

Transportation Services includes management of the roads, storm drainage, and vehicle fleet used to provide services to the District.

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

Solid Waste Collection includes fees related to residential curbside collection services.

Planning includes land use planning, subdivision, development, and mapping.

Parks and Recreation includes management of District parks and trails, and the District's contribution to Mine Town Days.

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

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

Reserve Funds includes interest earned on balances in the general government, sewer and water services capital reserves.

District of Lantzville



NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2013 with comparative information for 2012

12. Commitments and contingencies

Municipal Insurance Association

The District is insured through membership in the Municipal Insurance Association ("MIA") of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the MIA pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit.

Commitments

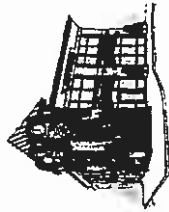
On October 28, 2013 District Council authorized the purchase of a rescue/pumper fire truck from Rocky Mountain Phoenix Ltd. A deposit of \$48,337 was paid in 2013, and the balance of \$501,565 is payable upon delivery of the fire truck in late 2014.

13. Financial Plan Figures

Financial Plan figures included in these financial statements represent the Financial Plan Bylaw adopted by Council. The Financial Plan includes internal transfers to and from Reserve and other surplus balances, and also capital expenditures rather than amortization expense. The following schedule reconciles the surplus as presented in the Financial Plan approved by Council to the surplus as shown in the Statement of Operations.

	2013
Surplus, per "District of Lantzville Financial Plan Bylaw No. 103, 2013" adopted by Council on May 13, 2013	\$ 140,873
Net impact of amendments	(15,500)
Surplus, per "District of Lantzville Financial Plan Bylaw No. 103, 2013, Amendment Bylaw No 103.1, 2013", adopted by Council on November 25, 2013.	\$ 125,373
Add:	
Capital expenditures	873,608
Transfers to statutory reserves	767,209
Internal debt repayment	174,775
Less:	
Transfers from statutory reserves	(873,608)
Proceeds from MFA borrowing	
Recovery from prior year surplus	(379,157)
Surplus, per "2013 Financial Plan" for Statement of Operations	\$ 688,200

District of Lantzville

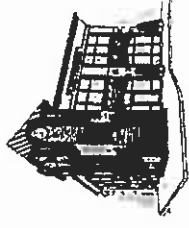


SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2013

	Infrastructure										2012 Total
	Land	Land Improvements	Buildings	Vehicles	Equipment	Roads	Sewer	Water	Assets Under Construction	2013 Total	
HISTORICAL COST:											
Opening Balance	\$ 8,799,199	\$ 974,691	\$ 1,921,103	\$ 1,350,118	\$ 479,374	\$ 10,518,235	\$ 8,494,534	\$ 5,411,795	\$ 5,120	\$ 37,954,169	\$ 37,246,969
Additions	-	91,877	10,055	-	963	378,823	7,247	234,553	50,003	773,521	820,668
Disposals	-	-	-	-	(5,778)	(33,082)	-	(27,092)	(5,120)	(71,072)	(113,468)
Closing Balance, Dec.31	8,799,199	1,066,568	1,931,158	1,350,118	474,559	10,863,976	8,501,781	5,619,256	50,003	38,656,618	37,954,169
ACCUMULATED AMORTIZATION:											
Opening Balance	-	284,022	718,190	749,811	213,717	2,446,752	376,102	1,428,425	-	6,217,019	5,615,174
Amortization Expense	-	26,934	47,118	47,305	51,101	331,066	108,260	104,553	-	716,337	692,551
Disposals	-	-	-	-	(5,778)	(30,031)	-	(16,511)	-	(52,320)	(90,706)
Closing Balance, Dec.31	-	310,956	765,308	797,116	259,040	2,747,787	484,362	1,516,467	-	6,881,036	6,217,019
NET BOOK VALUE	\$ 8,799,199	\$ 755,612	\$ 1,165,850	\$ 553,002	\$ 215,519	\$ 8,116,189	\$ 8,017,419	\$ 4,102,789	\$ 50,003	\$ 31,775,582	\$ 31,737,150

District of Lantzville

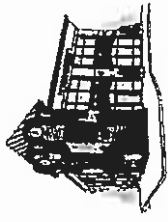


SCHEDULE OF STATUTORY RESERVE FUND ACTIVITIES

For the year ended December 31, 2013

	Capital Works		Asset Replacement		Fire Truck		Park Development		Park Acquisition		Asset Replacement		Waterworks		Asset Replacement		2013 Total	2013 Financial Plan	2012	
	GENERAL FUND		SEWER FUND		WATER FUND															
Opening balance	\$	1,055,305	\$	499,517	\$	313,941	\$	273,727	\$	35,446	\$	124,285	\$	635,360	\$	101,504	\$	3,039,085	\$	2,928,506
Transfers in		370,016		66,825		71,800		33,984		-		26,000		228,000		8,300		804,925		767,209
Loan repayment		55,231		-		-		-		-		-		-		-		55,231		56,715
Interest earned		7,549		4,743		2,898		2,587		315		1,222		5,698		940		25,952		-
Transfers out		(454,541)		-		(48,503)		-		-		-		(218,308)		-		(721,352)		(873,608)
Closing balance	\$	1,039,560	\$	571,085	\$	340,136	\$	310,298	\$	35,761	\$	151,507	\$	650,750	\$	110,744	\$	3,203,841	\$	2,987,917
																				\$ 3,039,085

District of Lantzville

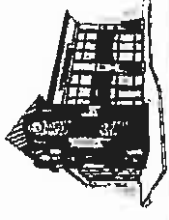


SCHEDULE OF REVENUE AND EXPENDITURES

For the year ended December 31, 2013

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks & Recreation	Sewer	Water	Reserve	2013	2013	Fin. Plan
REVENUE												
Taxation	\$ 1,462,202	-	-	-	-	-	-	-	-	\$ 1,462,202	\$ 1,460,875	
Government grants and transfers	296,568	-	-	-	4,500	-	-	-	-	301,068	301,530	
Utility taxes and fees	-	-	-	193,861	-	-	339,653	567,068	-	1,100,582	1,075,890	
Services and fees	40,314	-	19,665	2,456	18,099	316	1,650	5,260	-	87,760	67,860	
Grants in lieu of taxes	76,421	-	-	-	-	-	-	-	-	76,421	73,200	
Interest	45,656	-	-	-	-	-	-	-	25,952	71,608	35,000	
Other	55,580	-	-	-	-	1,575	-	-	-	57,155	28,544	
	1,976,741	-	19,665	196,317	22,599	1,891	341,303	572,328	25,952	3,156,796	3,042,899	
EXPENSES												
Audit and Legal	34,199	-	-	-	-	-	2,580	2,580	-	39,359	56,750	
Consulting	3,409	36,911	-	-	-	-	-	-	-	40,320	50,000	
Contracted Services	22,466	-	65,120	195,556	25,061	3,677	-	-	-	311,880	315,730	
Insurance	23,682	2,250	6,876	-	-	410	5,500	15,480	-	54,198	62,180	
Legislative	14,394	-	-	-	-	-	-	-	-	14,394	19,000	
Materials and Supplies	25,472	23,466	32,431	-	-	4,846	1,647	21,749	-	109,611	152,870	
Salaries, Wages and Benefits	536,577	76,555	88,321	-	44,507	65,907	31,079	103,216	-	946,162	993,340	
Training, Travel and Conferences	36,805	5,045	27,839	-	-	-	-	-	-	69,689	77,330	
Telephone and Utilities	12,453	63,496	11,215	-	-	-	2,111	21,330	-	110,605	111,920	
Other	28,140	94,937	52,528	-	-	18,491	70,607	46,410	-	311,113	515,579	
	737,597	302,660	284,330	195,556	69,568	93,331	113,524	210,765	-	2,007,351	2,354,699	
Amortization												
	42,849	351,706	77,447	-	-	25,823	110,185	108,327	-	716,337	-	
	780,446	654,366	361,777	195,556	69,568	119,154	223,709	319,092	-	2,773,668	2,354,699	
SURPLUS/(DEFICIT)	\$ 1,196,295	\$ (654,366)	\$ (342,112)	\$ 761	\$ (46,969)	\$ (117,263)	\$ 117,594	\$ 253,236	\$ 25,952	\$ 433,128	\$ 688,200	

District of Lantzville



SCHEDULE OF SEGMENT DISCLOSURES

For the year ended December 31, 2012

	Gen. Gov't & Legislative	Transportation Services	Protective Services	Solid Waste Collection	Planning	Parks & Recreation	Sewer	Water	Reserve	2012	2012	2012
										Fin. Plan	Fin. Plan	Fin. Plan
REVENUE												
Taxation	\$ 1,426,927	-	-	-	-	-	-	-	-	\$ 1,426,927	\$ 1,425,123	
Government grants and transfers	628,778	-	-	-	-	-	23,002	-	-	651,780	647,994	
Utility taxes and fees	-	-	-	177,363	-	-	308,600	547,008	-	1,032,971	994,723	
Services and fees	42,040	-	19,116	2,432	14,500	1,266	1,398	5,074	-	85,826	63,390	
Grants in lieu of taxes	75,523	-	-	-	-	-	-	-	-	75,523	72,950	
Interest	40,423	-	-	-	-	-	-	-	26,039	66,462	20,000	
Other	56,503	-	-	-	-	3,530	-	-	-	60,033	19,620	
	2,270,194	-	19,116	179,795	14,500	4,796	333,000	552,082	26,039	3,399,522	3,243,800	
EXPENSES												
Audit and Legal	70,131	-	-	-	-	-	2,518	2,518	-	75,167	78,280	
Consulting	18,335	19,068	-	-	-	-	-	-	-	37,403	43,500	
Contracted Services	23,691	-	63,235	177,393	39,611	3,630	-	-	-	307,560	312,100	
Insurance	22,791	2,170	5,644	-	-	440	5,380	15,450	-	51,875	62,120	
Legislative	18,608	-	-	-	-	-	-	-	-	18,608	19,000	
Materials and Supplies	19,602	21,525	33,166	-	-	4,600	746	6,295	-	85,934	169,010	
Salaries, Wages and Benefits	540,257	73,963	68,006	-	-	66,882	52,504	92,706	-	894,318	935,200	
Training, Travel and Conferences	27,877	5,698	33,253	-	-	-	-	-	-	66,828	82,320	
Telephone and Utilities	22,099	59,591	10,135	-	-	-	2,556	19,948	-	104,329	106,290	
Other	12,409	118,610	30,257	-	-	29,354	41,136	31,078	-	272,844	559,880	
	775,800	300,625	243,696	177,393	39,611	104,906	104,840	167,995	-	1,914,866	2,367,700	
Amortization												
	39,073	336,775	76,442	-	-	25,016	109,098	106,147	-	692,551	-	
	814,873	637,400	320,138	177,393	39,611	129,922	213,938	274,142	-	2,607,417	2,367,700	
SURPLUS/(DEFICIT)	\$ 1,455,321	\$ (637,400)	\$ (301,022)	\$ 2,402	\$ (25,111)	\$ (125,126)	\$ 119,062	\$ 277,940	\$ 26,039	\$ 792,105	\$ 876,100	