

Financial Statements of

**THE CORPORATION OF THE  
DISTRICT OF CENTRAL SAANICH**

Year ended December 31, 2007

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Financial Statements

Year ended December 31, 2007

---

## COUNCIL

### MAYOR

Jack Mar

### COUNCILLORS

Christopher Graham  
Zeb King  
John Garrison

Robert Thompson  
Alastair Bryson  
Susan Mason

### POLICE BOARD

Jack Mar  
Steven Garner  
Cathie Ounsted

John Currie  
Andrew Harcombe

### OFFICIALS

Administrator  
Municipal Clerk  
Director of Financial Services  
Director of Planning and  
Development Services  
Municipal Engineer  
Manager of Community Services  
Fire Chief  
Chief Constable

Gary C. Nason  
Sara Ribeiro  
Rosalyn Tanner

Hope V. Burns  
Nirmal Bhattacharya  
Bonnie McKenzie  
Ron French  
Paul Hames

### AUDITORS

KPMG LLP

### BANKERS

Canadian Imperial Bank of Commerce

### SOLICITORS

Lidstone, Young & Anderson

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

2007 Financial Statements

## Table of Contents

---

	<u>Page</u>
Financial Reporting Responsibility.....	1
Auditors' Report.....	2
Statements	
Consolidated:	
A Statement of Financial Position.....	3
B Statement of Financial Activities.....	4
C Statement of Changes in Financial Position.....	5
D Operating Funds Statement of Financial Activities and Fund Balance.....	6
E Capital Funds Statement of Financial Activities and Fund Balance.....	7
F Reserve Funds Statement of Financial Activities and Fund Balance.....	8
Notes to Financial Statements.....	9
Auditors' Report on Supplementary Information.....	17
Schedules	
1 Revenue.....	18
2 Expenditure.....	19

## **FINANCIAL REPORTING RESPONSIBILITY**

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

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

The Municipal Council oversees management's responsibilities for the financial reporting and internal control systems.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the District, have examined our financial statements and issued their report which follows. The auditors have full and complete access to the records of the District.



Director of Financial Services



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

Telephone (250) 480-3500  
Fax (250) 480-3539  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **AUDITORS' REPORT TO THE MAYOR AND COUNCILLORS OF THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH**

We have audited the consolidated statement of financial position of The Corporation of the District of Central Saanich as at December 31, 2007 and the consolidated statements of financial activities and changes in financial position and the operating funds, capital funds and reserve funds consolidated statements of financial activities and fund balance for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Victoria, Canada

April 9, 2008

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Consolidated Statement of Financial Position

Statement A

December 31, 2007, with comparative figures for 2006

	2007	2006
<b>Assets</b>		
Financial assets:		
Cash and short-term investments (note 2)	\$ 10,817,204	\$ 12,530,275
Property taxes, utilities and trade receivables	1,931,754	2,178,087
Other government receivables	442,654	254,193
Other assets	53,060	180,426
	13,244,672	15,142,981
Physical assets:		
Materials and supplies	427,243	423,787
	\$ 13,671,915	\$ 15,566,768

## Liabilities

Accounts payable and accrued liabilities (note 3)	\$ 2,155,033	\$ 2,311,358
Refundable deposits	681,627	649,124
Deferred revenue (note 4)	3,504,706	3,866,501
Employee benefit obligations (note 5)	764,900	682,500
Capital lease obligations (note 6)	2,926	5,653
	7,109,192	7,515,136

## Municipal Position

Fund balances:		
Operating Funds (Statement D)	2,867,872	2,912,869
Capital Funds (Statement E)	85,096	85,096
Reserve Funds (Statement F) (note 7)	3,185,438	4,635,533
	6,138,406	7,633,498
Less outstanding debt	(2,926)	(5,653)
	6,135,478	7,627,845
Equity in physical assets	427,243	423,787
	6,562,723	8,051,632
	\$ 13,671,915	\$ 15,566,768

Contingent liabilities (note 8)

See accompanying notes to financial statements.



Director of Financial Services

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Consolidated Statement of Financial Activities

## Statement B

Year ended December 31, 2007, with comparative figures for 2006

	Budget	2007	2006
<b>Revenue:</b>			
Municipal property taxes	\$ 8,976,100	\$ 9,059,260	\$ 8,428,898
Grants in lieu of taxes	259,000	249,241	235,846
Sales of services	772,400	762,662	697,016
Licenses, permits, interest and penalties	774,000	1,049,491	1,040,922
Government grants	1,811,994	1,677,975	1,692,964
Water utility	3,072,650	3,016,357	3,001,353
Sewer enterprise	2,582,510	2,597,271	2,510,796
Contributions and donations	235,100	188,425	1,098,165
	18,483,754	18,600,682	18,705,960
<b>Expenditure:</b>			
General government services	2,249,620	2,047,191	1,799,196
Protective services	5,632,455	5,572,227	4,830,141
Transportation services	4,291,384	4,218,541	4,412,433
Environmental development services	396,400	361,092	290,287
Parks and cultural services	2,309,461	2,073,533	1,633,086
Water utility	3,382,325	3,162,803	3,440,028
Sewer enterprise	2,577,625	2,619,135	2,546,201
Other fiscal services	239,293	38,525	30,843
	21,078,563	20,093,047	18,982,215
Excess of expenditure over revenue	(2,594,809)	(1,492,365)	(276,255)
Less debt principal repayments	-	-	-
Capital lease repayment	-	(2,727)	(2,549)
Change in fund balances	\$ (2,594,809)	(1,495,093)	(278,804)
Fund balances, beginning of year		7,633,498	7,912,302
Fund balances, end of year		\$ 6,138,406	\$ 7,633,498

See accompanying notes to financial statements.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Consolidated Statement of Changes in Financial Position

Statement C

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Net cash inflow (outflow) related to the following activities:		
Changes in non-cash working capital items:		
Excess of expenditure over revenue	\$ (1,492,365)	\$ (276,255)
Decrease in receivables	57,872	89,616
Decrease (increase) in other assets	127,366	(155,518)
Increase (decrease) in accounts payable and accrued liabilities	(156,325)	146,528
Increase in employee benefit obligations	82,400	88,000
Increase (decrease) in refundable deposits	32,503	(957)
Decrease in deferred revenue	(361,795)	(595,991)
	(1,710,344)	(704,577)
Financing:		
Capital lease repaid	(2,727)	(2,549)
Decrease in cash and short-term investments	(1,713,071)	(707,126)
Cash and short-term investments, beginning of year	12,530,275	13,237,401
Cash and short-term investments, end of year	\$ 10,817,204	\$ 12,530,275

See accompanying notes to financial statements.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## OPERATING FUNDS

### Consolidated Statement of Financial Activities and Fund Balance

### Statement D

Year ended December 31, 2007, with comparative figures for 2006

	Budget	2007	2006
<b>Revenue:</b>			
Municipal property taxes	\$ 8,976,100	\$ 9,059,260	\$ 8,428,898
Grants in lieu of taxes	259,000	249,241	235,846
Sale of services	772,400	762,662	697,016
Licenses, permits, interest and penalties	774,000	988,598	982,243
Donations and contributions	235,100	16,025	3,505
Government grants	1,811,994	1,677,975	1,692,964
Water utility	3,072,650	3,016,357	3,001,353
Sewer enterprise	2,582,510	2,597,271	2,510,796
	<u>18,483,754</u>	<u>18,367,389</u>	<u>17,552,621</u>
<b>Expenditure:</b>			
General government services	1,938,820	1,781,485	1,777,993
Protective services	5,126,805	5,071,498	4,694,650
Transportation services	2,102,284	2,077,123	1,907,625
Environmental development services	396,400	361,092	290,287
Parks and cultural services	1,676,100	1,739,877	1,524,277
Water utility	2,961,825	2,796,917	2,894,352
Sewer enterprise	2,390,825	2,340,389	2,334,154
Other fiscal services	239,293	38,525	30,843
	<u>16,832,352</u>	<u>16,206,906</u>	<u>15,454,181</u>
Excess of revenue over expenditure	1,651,402	2,160,483	2,098,440
Capital lease repayment	-	(2,727)	(2,549)
Net interfund transfers:			
To Capital Funds	(1,588,961)	(1,241,489)	(1,075,507)
To Reserve Funds	(822,800)	(961,264)	(873,120)
	<u>(2,411,761)</u>	<u>(2,205,479)</u>	<u>(1,951,176)</u>
Change in fund balance	<u>\$ (760,359)</u>	(44,997)	147,264
Balance, beginning of year		2,912,869	2,765,605
Balance, end of year		<u>\$ 2,867,872</u>	<u>\$ 2,912,869</u>

See accompanying notes to financial statements.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## CAPITAL FUNDS

### Consolidated Statement of Financial Activities and Fund Balance

Statement E

Year ended December 31, 2007, with comparative figures for 2006

	Budget	2007	2006
<b>Revenue:</b>			
Contributions by developers	\$ -	\$ 172,400	\$ 1,094,660
<b>Expenditure:</b>			
General government services	310,800	265,706	21,203
Protective services	505,650	500,729	135,491
Transportation services	2,189,100	2,141,418	2,504,808
Parks and cultural services	633,361	333,656	108,809
Water utility	420,500	365,886	545,676
Sewer enterprise	186,800	278,746	212,047
	4,246,211	3,886,141	3,528,034
Excess of expenditure over revenue	(4,246,211)	(3,713,741)	(2,433,374)
<b>Net interfund transfers:</b>			
From Operating Funds	1,588,961	1,241,489	1,075,507
From Reserve Funds	2,657,250	2,472,252	1,357,867
	4,246,211	3,713,741	2,433,374
Change in fund balance	\$ -	-	-
Balance, beginning of year		85,096	85,096
Balance, end of year		\$ 85,096	\$ 85,096

See accompanying notes to financial statements.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## RESERVE FUNDS

### Consolidated Statement of Financial Activities and Fund Balance

Statement F

Year ended December 31, 2007, with comparative figures for 2006

	Budget	2007	2006
Revenue:			
Investment income	\$ -	\$ 60,893	\$ 58,679
Excess of revenue over expenditure	-	60,893	58,679
Net interfund transfers:			
From Operating Funds	822,800	961,264	873,120
To Capital Funds	(2,657,250)	(2,472,252)	(1,357,867)
	(1,834,450)	(1,510,988)	(484,747)
Change in fund balance	<u>\$ (1,834,450)</u>	(1,450,095)	(426,068)
Balance, beginning of year		4,635,533	5,061,601
Balance, end of year		<u>\$ 3,185,438</u>	<u>\$ 4,635,533</u>
Summary of Reserve Funds positions:			
Public Works Equipment		\$ 321,250	\$ 368,972
Fire Department Equipment		2,001	138,115
Local Service Area		35,804	101,043
Capital Expenditures		466,434	981,633
Reserves for Future Expenditures:			
General government		2,252,393	2,695,205
Water utility		78,086	252,218
Sewer enterprise		29,470	98,347
		<u>\$ 3,185,438</u>	<u>\$ 4,635,533</u>

See accompanying notes to financial statements.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007 -

---

The Corporation of the District of Central Saanich (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

### 1. Significant accounting policies:

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

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the reporting entity.

(b) Revenue recognition:

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

Revenue unearned in the current period is recorded as deposits or deferred revenue.

(c) Fund accounting:

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

(d) Investments:

Investments are recorded at cost except for the investments in the Municipal Finance Authority of British Columbia funds, which are recorded at cost plus interest earned and reinvested in the funds.

(e) Physical assets:

(i) Capital assets are expensed when acquired or constructed. Donated capital assets are recorded at nominal value at the time of receipt.

(ii) Materials and supplies on hand are inventoried and recorded at their average cost.

(iii) The District is in the process of accumulating information related to its tangible capital assets in order to comply with the new Public Sector Accounting Board Standard 3150. This new standard will be applicable to the District's 2009 annual financial statements. As at December 31, 2007, the cost and accumulated amortization have not yet been finalized for the individual classes of tangible capital assets and hence details concerning the major categories of tangible capital assets have not been provided.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007

---

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

(f) Reserves for future expenditures:

Certain amounts as approved by Council are set aside in reserves for future operating and capital expenditures. Transfers to and/or from reserves are reflected as an adjustment to the respective fund.

(g) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenues in the period 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. Transfers received for which expenditures are not yet incurred are included in deferred revenue.

(h) Employee future benefits:

The District and its employees make contributions to the Municipal Pension Plan. These 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 actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(i) Measurement uncertainty:

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the period. Significant areas requiring the use of management estimates relate to the determination of employee benefit obligations and provision for contingencies. Actual results could differ from those estimates.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007

### 2. Cash and short-term investments:

Included in cash and short-term investments are short-term investments that can only be used for expenditures as provided by the development cost charge reserve bylaw and the relevant sections of the Local Government Act, unless otherwise authorized by the Ministry of Community Services, Province of British Columbia.

	2007	2006
Restricted short-term investments	\$ 992,087	\$ 890,645

### 3. Accounts payable and accrued liabilities:

	2007	2006
Trade accounts	\$ 718,534	\$ 985,089
Other governments and agencies	747,397	789,813
Allowance for assessment appeals	47,344	60,000
Accrued salary, wages and employee benefits:		
Payroll	400,541	155,154
Vacation pay	138,813	130,200
Unpaid overtime	102,404	122,249
Pension purchase of service	-	68,853
	\$ 2,155,033	\$ 2,311,358

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2007

## 4. Deferred revenue:

	Federal Gas Tax agreement funds	Parkland acquisition funds	Development cost charges	Transport Canada agreement funds	Contractor donations	Prepaid taxes and other	Total
Opening balance	\$ 172,458	416,755	890,645	16,663	854,600	1,515,380	3,866,501
Revenue deferred in the year	200,482	-	59,919	-	77,752	184,721	522,874
Interest income	15,092	18,205	41,523	-	-	-	74,820
Revenue recognized in the year	(88,720)	-	-	(16,663)	-	(854,106)	(959,489)
Closing balance	\$ 299,312	434,960	992,087	-	932,352	845,995	3,504,706

The development cost charges will be recognized as revenue in future years when the related capital project, for which they were collected, is completed. The other revenues will be recognized as revenue when the related services or grant project is performed/completed including the contribution received during the year from Transport Canada for the operation of dock facilities.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007

### 5. Employee benefit obligations:

The District provides sick leave and certain other benefits to its employees. These amounts will require funding in future periods and are recorded as follows:

	2007	2006
Employee benefit obligations:		
Accumulated sick leave	\$ 324,700	\$ 287,900
Retirement/severance benefit payment	440,200	394,600
	<u>\$ 764,900</u>	<u>\$ 682,500</u>

Retirement benefit payments represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits and certain vacation entitlements in the year of retirement for qualified employees. Accumulated sick leave represents the liability for sick leave banks accumulated for possible draw down at future dates and/or for payout either on an approved retirement, or upon termination or death. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation completed as of December 2007.

Information about liabilities for employee benefit plans is as follows:

	Sick leave	Retirement benefit payments	2007	2006
Accrued benefit liability:				
Beginning of year	\$ 287,900	\$ 394,600	\$ 682,500	\$ 594,500
Service cost	24,100	35,600	59,700	59,500
Interest cost	13,900	18,800	32,700	29,900
Benefit payments	(17,000)	(21,900)	(38,900)	(8,200)
Plan amendment	14,700	12,400	27,100	-
Amortization of actuarial gain	1,100	700	1,800	6,800
Accrued benefit liability, end of year	<u>\$ 324,700</u>	<u>\$ 440,200</u>	<u>\$ 764,900</u>	<u>\$ 682,500</u>

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007

### 5. Employee benefit obligations (continued):

The difference between the actuarially determined accrued benefit obligation of \$638,100 and the accrued benefit liability of \$764,900 as at December 31, 2007 is an actuarial gain of \$126,800. This actuarial gain will be amortized over a period equal to the employees' average remaining service lifetime.

The significant actuarial assumptions adopted in measuring the District's accrued benefit obligations are as follows:

	2007	2006
Discount rates	4.50%	4.50%
Expected future inflation rates	2.50%	2.50%

The salary scale and demographic assumptions are consistent with those used in the valuation of the Municipal Pension Plan as at December 31, 2007.

### 6. Capital lease obligations:

The District leases radio equipment under a lease agreement, which is classified as a capital lease. The future minimum annual lease payments are as follows:

2008	\$	3,024
Less amounts representing interest		(108)
Present value of capital lease obligation	\$	2,916

Total interest expense incurred during 2007 on capital leases amounted to \$297 (2006 - \$474).

### 7. Reserve Funds:

The Reserve Funds include various reserves to be used to fund specified future expenditures as authorized by Council. They include statutory reserves, set up by bylaw under the authority of the Community Charter Act of British Columbia and reserves for future expenditures.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007

### 8. Contingent liabilities:

(a) Regional district debt:

Regional district debt is, under the provisions of the Local Government Act (British Columbia), a direct, joint and several liability of the regional district and each member municipality within the regional district including the District.

(b) Other debt:

The municipality is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated whose services provide centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations through the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

(c) Claims for damages:

(i) In the normal course of a year, claims for damages are made against the District and are recorded when settled. The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, member municipalities are to share jointly for such claims in excess of individual deductibles ranging from \$5,000 to \$50,000 against any member. The District's deductible is \$10,000.

(ii) During 2006, the District received a claim relative to construction envelope damage. No determination of the District's liability, if any, has been made and no estimate of potential loss can be made or recorded at this time. Any liability will be recorded when a settlement is likely and the amounts are determinable.

### 9. Capital assets:

Capital assets are expensed when acquired. Total capital expenditures (less proceeds from disposals) made to date are as follows:

	General	Water	Sewer	Total 2007	Total 2006
Infrastructure	\$ 22,158,131	\$ 8,364,202	\$ 7,592,482	\$ 38,114,815	\$ 35,618,742
Land	1,998,716	6,500	-	2,005,216	2,005,216
Buildings	5,554,927	-	-	5,554,927	5,227,292
Equipment and furniture	8,720,826	408,986	170,647	9,300,459	8,606,556
	\$ 38,432,600	\$ 8,779,688	\$ 7,763,129	\$ 54,975,417	\$ 51,457,806

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2007

### 10. Expenditure by object:

	2007	2006
Salaries, wages and employee benefits	\$ 8,290,112	\$ 7,687,395
Materials and supplies	3,661,952	4,158,542
Services	8,105,011	7,112,757
Other	35,972	23,521
	\$ 20,093,047	\$ 18,982,215

### 11. Taxes levied for other authorities:

In addition to taxes levied for municipal purposes, the District is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenditures.

	2007	2006
Provincial Government - school taxes	\$ 7,924,298	\$ 8,218,994
Capital Regional District	1,546,286	1,494,434
Capital Regional Hospital District	730,380	708,105
B.C. Transit Authority	620,802	555,777
B.C. Assessment Authority	259,264	275,637
Municipal Finance Authority	861	775
	\$ 11,081,891	\$ 11,253,722

### 12. Pension plan:

The municipality 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 pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 144,000 active members and approximately 51,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The District paid \$679,593 for employer contributions to the plan in fiscal 2007.



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

Telephone (250) 480-3500  
Fax (250) 480-3539  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## **AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION TO THE MAYOR AND COUNCILLORS OF THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH**

We have audited and reported separately herein on the consolidated financial statements of The Corporation of the District of Central Saanich as at and for the year ended December 31, 2007 in accordance with Canadian generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*KPMG LLP*

Chartered Accountants

Victoria, Canada

April 9, 2008

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## CONSOLIDATED OPERATING FUNDS Schedule of Revenue

Schedule 1

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Revenue:		
Municipal property taxes:		
Residential	\$ 6,958,971	\$ 6,514,184
Utilities	9,562	8,248
Light industrial	242,707	228,082
Business	1,698,060	1,549,803
Recreation	122,497	105,205
Farm	23,605	22,682
Parcel tax	3,858	694
	9,059,260	8,428,898
Grants in lieu of taxes:		
Federal government	5,709	5,145
Provincial government agencies	143,943	137,584
Non-government	99,589	93,117
	249,241	235,846
Sale of services:		
Services provided to other governments	135,561	143,022
Transportation services	16,580	27,566
Environmental development services	97,400	87,220
Recreation and cultural services	12,389	5,280
Other services	500,732	433,928
	762,662	697,016
Licenses, permits, interest and penalties:		
Professional, business and vehicle licenses	84,052	79,090
Building and other permits	391,845	318,193
Dog licenses	20,438	18,729
Fines	660	7,225
Rentals	27,750	29,150
Penalties and interest	93,754	89,751
Investment income	370,099	440,105
	988,598	982,243
Donations and contributions	16,025	3,505
Government grants:		
Federal government	105,383	332,344
Provincial government	1,572,592	1,254,370
Regional district and other	-	106,250
	1,677,975	1,692,964
Water utility:		
Sale of water	2,462,890	2,545,167
Regional levy	553,467	456,186
	3,016,357	3,001,353
Sewer enterprise:		
User fees	791,886	668,456
Regional levy	1,805,385	1,842,340
	2,597,271	2,510,796
<b>Total revenue</b>	<b>\$ 18,367,389</b>	<b>\$ 17,552,621</b>

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## CONSOLIDATED OPERATING FUNDS Schedule of Expenditure

Schedule 2

Year ended December 31, 2007, with comparative figures for 2006

	2007	2006
Expenditure:		
General government services:		
Legislative	\$ 152,056	\$ 145,951
Administrative	1,453,455	1,446,686
Municipal Hall	175,974	185,357
	<hr/> 1,781,485	<hr/> 1,777,994
Protective services:		
Police	3,824,686	3,459,805
Fire	734,489	750,439
Building inspections and bylaw enforcement	376,704	357,513
Animal and pest control	92,186	92,466
Emergency measures	43,433	34,427
	<hr/> 5,071,498	<hr/> 4,694,650
Transportation services:		
Common	355,742	276,297
Administration	487,137	455,222
Roads and streets	981,147	798,953
Street lighting	77,636	92,141
Traffic	139,458	96,827
Dock facilities	36,003	188,185
	<hr/> 2,077,123	<hr/> 1,907,625
Environmental development services:		
Planning and zoning	361,092	290,287
Parks and cultural services:		
Parks	782,941	690,928
Community services	247,340	155,489
Greater Victoria Public Library	620,090	585,305
Cultural services	89,506	92,555
	<hr/> 1,739,877	<hr/> 1,524,277
Water utility:		
Water supply system	2,242,563	2,331,559
Capital Regional District	554,354	562,793
	<hr/> 2,796,917	<hr/> 2,894,352
Sewer enterprise:		
Sewage collection system	531,927	477,340
Capital Regional District	1,808,462	1,856,814
	<hr/> 2,340,389	<hr/> 2,334,154
Other fiscal services	38,525	30,843
<b>Total expenditure</b>	<hr/> <b>\$ 16,206,906</b>	<hr/> <b>\$ 15,454,182</b>