

Financial Statements of

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

Year ended December 31, 2010

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Financial Statements

Year ended December 31, 2010

### Financial Statements

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## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The accompanying financial statements of The Corporation of the District of Central Saanich (the "District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting principles for local governments as recommended by the Public Sector Accounting Board of 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 necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

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



\_\_\_\_\_  
*Chief Administrative Officer*



\_\_\_\_\_  
*Director of Financial Services*



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## INDEPENDENT AUDITORS' REPORT

*To the Mayor and Councillors of The Corporation of the District of Central Saanich*

We have audited the accompanying financial statements of The Corporation of the District of Central Saanich which comprise the statement of financial position as at December 31, 2010, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the District of Central Saanich as at December 31, 2010, and its results of operations, and its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

August 8, 2011  
Victoria, Canada

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

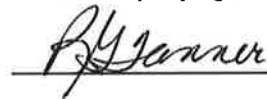
## Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 7,164,701	\$ 9,542,300
Short-term investments (note 2)	3,598,612	2,554,203
Property taxes receivable	395,409	566,132
Accounts receivable	2,241,671	2,096,922
Other government receivables	625,300	172,274
	<u>14,025,693</u>	<u>14,931,831</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 3)	1,411,551	1,704,904
Refundable deposits	799,382	628,001
Deferred revenue (note 4)	4,079,083	4,077,798
Long-term debt (note 5)	1,000,000	-
Employee future benefit obligations (note 6)	927,800	824,600
	<u>8,217,816</u>	<u>7,235,303</u>
Net financial assets	5,807,877	7,696,528
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	87,743,639	87,872,229
Inventory of supplies	447,228	361,353
Prepaid expenses	397,970	318,795
	<u>88,588,837</u>	<u>88,552,377</u>
<b>Accumulated surplus (note 8)</b>	<b>\$ 94,396,714</b>	<b>\$ 96,248,905</b>

Commitments and contingencies (note 11)

See accompanying notes to financial statements. financial statements



Director of Financial Services

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Statement of Operations

Year ended December 31, 2010, with comparative figures for 2009

	Budget (unaudited - note 12)	2010	2009
<b>Revenue:</b>			
Municipal property taxes (note 9)	\$ 11,589,836	\$ 11,555,816	\$ 10,706,260
Grants in lieu of taxes	274,900	272,394	269,835
Sale of services	874,250	950,261	995,216
Permits, licenses and interest	787,900	829,128	896,927
Government grants (note 10)	2,466,545	1,300,317	1,827,722
Water utility	4,088,284	3,948,006	4,332,053
Sewer enterprise	3,198,725	3,183,763	2,845,303
Contributions and donations	999,167	47,747	412,553
<b>Total revenue</b>	<b>24,279,607</b>	<b>22,087,432</b>	<b>22,285,869</b>
<b>Expenses:</b>			
General government	2,711,175	2,612,071	2,321,574
Protective services	6,138,568	6,482,160	5,885,589
Transportation services	2,456,387	5,450,699	5,507,585
Environmental development services	446,463	401,600	340,749
Parks and cultural services	1,989,830	2,264,755	2,807,120
Water utility	3,540,009	3,467,378	3,622,791
Sewer enterprise	2,630,545	3,202,884	2,883,679
Other fiscal services	250,893	58,076	9,174
<b>Total expenses</b>	<b>20,163,870</b>	<b>23,939,623</b>	<b>23,378,261</b>
<b>Annual surplus (deficit)</b>	<b>4,115,737</b>	<b>(1,852,191)</b>	<b>(1,092,392)</b>
Accumulated surplus, beginning of year	96,248,905	96,248,905	97,341,297
<b>Accumulated surplus, end of year</b>	<b>\$ 100,364,642</b>	<b>\$ 94,396,714</b>	<b>\$ 96,248,905</b>

See accompanying notes to financial statements. financial statements

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Statement of Change in Net Financial Assets

Year ended December 31, 2010, with comparative figures for 2009

	Budget (unaudited - note 12)	2010	2009
Annual surplus (deficit)	\$ 4,115,737	\$ (1,852,191)	\$ (1,092,392)
Acquisition of tangible capital assets	(3,861,831)	(3,947,941)	(1,448,971)
Developer contributions of tangible capital assets	-	(19,275)	(347,045)
Amortization of tangible capital assets	-	4,064,136	4,167,905
Loss (gain) on disposal of tangible capital assets	-	970	(35,857)
Proceeds on sale of tangible capital assets	-	30,700	48,300
	(3,861,831)	128,590	2,384,332
Consumption of inventory of supplies	-	(85,875)	22,565
Acquisition and use of prepaid expenses	-	(79,175)	(293,927)
	-	(165,050)	(271,362)
Change in net financial assets	253,906	(1,888,651)	1,020,578
Net financial assets, beginning of year	7,696,528	7,696,528	6,675,950
Net financial assets, end of year	\$ 7,950,434	\$ 5,807,877	\$ 7,696,528

See accompanying notes to financial statements. financial statements

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Statement of Cash Flows

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual deficit	\$ (1,852,191)	\$ (1,092,392)
Items not involving cash:		
Amortization of tangible capital assets	4,064,136	4,167,905
Loss (gain) on disposal of tangible capital assets	970	(35,857)
Developer contributions of tangible capital assets	(19,275)	(347,045)
Change in non-cash operating assets and liabilities:		
Property taxes receivable	170,723	(89,799)
Accounts receivable	(144,749)	(168,655)
Other government receivables	(453,026)	(5,096)
Accounts payable and accrued liabilities	(293,353)	(548,366)
Refundable deposits	171,381	(17,917)
Deferred revenue	1,285	444,079
Employee future benefit obligations	103,200	94,700
Inventory of supplies	(85,875)	22,565
Prepaid expenses	(79,175)	(293,927)
	1,584,051	2,130,195
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(3,947,941)	(1,448,971)
Proceeds on sale of tangible capital assets	30,700	48,300
	(3,917,241)	(1,400,671)
<b>Investing activities:</b>		
Short-term investments	(1,044,409)	2,119,696
<b>Financing activities:</b>		
Proceeds from issuance of long-term debt	1,000,000	-
Increase (decrease) in cash and cash equivalents	(2,377,599)	2,849,220
Cash and cash equivalents, beginning of year	9,542,300	6,693,080
Cash and cash equivalents, end of year	\$ 7,164,701	\$ 9,542,300

See accompanying notes to financial statements. financial statements

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

## Notes to Financial Statements

Year ended December 31, 2010

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

(a) Reporting entity:

The financial statements reflect the assets, liabilities, revenues and expenses of the District's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

(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) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria has been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

(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 the related expenses are incurred, services performed, or the tangible capital assets are acquired.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

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## 1. Significant accounting policies (continued):

### (e) Cash and cash equivalents:

Cash and cash equivalents consist of investments in Municipal Finance Authority of British Columbia ("MFA") Bond, Intermediate and Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

### (f) Investment income:

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

### (g) Employee future benefits:

- (i) 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 obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

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

### (h) Non-financial assets:

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

### (i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

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## 1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets (continued)

Asset	Useful life - years
Land improvements	15 - 40
Buildings	25 - 40
Equipment and vehicles	3 - 25
Road infrastructure	20 - 60
Sewer infrastructure	5 - 60
Water infrastructure	5 - 60

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

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

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

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

(v) Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 1. Significant accounting policies (continued):

(i) 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, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from those estimates.

(j) Comparative figures:

Certain 2009 comparative figures have been adjusted to the financial statement presentation for the current year.

## 2. Cash and short-term investments:

	2010	2009
Bank deposits	\$ 444,099	\$ 45,041
Municipal Finance Authority - Money Market	5,515,445	8,315,827
Municipal Finance Authority - Intermediate	1,195,157	1,181,432
Restricted cash	10,000	-
	<u>\$ 7,164,701</u>	<u>\$ 9,542,300</u>
Short-term investments	\$ 3,598,612	\$ 2,554,203

Included in short-term investments is \$1,154,299 (2009 - \$1,106,408) 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.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

### 3. Accounts payable and accrued liabilities:

	2010	2009
Trade accounts payable	\$ 675,191	\$ 431,182
Other government agencies	381,817	850,889
Allowance for assessment appeals	24,465	40,295
Accrued salary, wages and employee benefits:		
Payroll	98,575	139,055
Vacation	150,158	144,312
Unpaid overtime	81,345	99,171
	<b>\$ 1,411,551</b>	<b>\$ 1,704,904</b>

### 4. Deferred revenue:

	Opening balance	Contributions	Interest earned	Revenue recognized in the year	Closing balance
Federal Gas Tax agreement funds	\$ 428,403	\$ 473,188	\$ 3,065	\$ (490,656)	\$ 414,000
Parkland acquisition funds	193,260	35,000	1,376	-	229,636
Development cost charges	1,106,408	40,973	6,918	-	1,154,299
Other grants	206,977	172,772	-	(379,749)	-
Restricted contractor contributions	1,153,052	125,051	-	-	1,278,103
Prepaid taxes and other	989,698	875,611	-	(862,264)	1,003,045
	<b>\$4,077,798</b>	<b>\$ 1,722,595</b>	<b>\$ 11,359</b>	<b>\$(1,732,669)</b>	<b>\$4,079,083</b>

### 5. Long-term debt:

- (a) The District issued a debt instrument through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenses. Sinking fund balances, managed by the MFA, are netted against related long-term debt.

	Gross debt	Sinking Fund assets	Net debt 2010	Net debt 2009
MFA Issue #110	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 5. Long-term debt (continued):

As a condition of the borrowing through the MFA, the District is obligated to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. The deposits are included in the District's financial statements as restricted cash. If the debt is repaid without default, the deposits are refunded to the District. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon the maturity of a debt issue the demand notes are released and deposits refunded to the District. As at December 31, 2010, there were contingent demand notes of \$37,470 (2009 - nil) which are not included in the financial statements of the District.

(b) Principal payments on long-term debt for the next five years are as follows:

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2011	\$	49,941
2012		49,941
2013		49,941
2014		49,941
2015		49,941

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(c) Total interest expense during the year was \$32,856 (2009 - nil). Debt bears interest at 4.5% and matures in 2025.

## 6. Employee future benefit obligations:

The District provides sick leave and certain other benefits to its employees.

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	2010	2009
Employee benefit obligations:		
Accumulated sick leave	\$ 368,000	\$ 337,600
Retirement/severance benefits	559,800	487,000
	\$ 927,800	\$ 824,600

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# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 6. Employee future benefit obligations (continued):

Accumulated sick leave represents the liability for sick leave banks accumulated for estimated draw down at future dates.

Retirement severance benefits 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.

The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation as at December 31, 2010.

Information about liabilities for employee future benefit plans is as follows:

	2010	2009
Accrued future benefit obligation:		
Balance, beginning of year	\$ 824,600	\$ 729,900
Current service cost	74,500	70,800
Interest cost	39,200	37,000
Benefits payments	(5,300)	(9,100)
Amortization of actuarial gain	(5,200)	(4,000)
Balance, end of year	\$ 927,800	\$ 824,600

The difference between the actuarially determined accrued future benefit obligation as at December 31, 2010 of \$849,500 and the accrued benefit liability of \$927,800 is an actuarial gain of \$78,300. This actuarial gain will be amortized over a period equal to the employees' average remaining service lifetime of 11 years.

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

	2010	2009
Discount rates	4.25%	4.75%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58 to 4.63%	2.50%

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

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## 6. Employee future benefit obligations (continued):

### Municipal Pension Plan

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 pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local government.

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, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The District paid \$816,056 (2009 - \$782,055) for employer contributions to the plan in fiscal 2010.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 7. Tangible capital assets:

	Land improvements	Land	Buildings	Equipment and vehicles	Roads infrastructure	Sewer infrastructure	Water infrastructure	Total 2010	Total 2009
<b>Cost:</b>									
Balance, beginning of year	\$27,951,291	5,896,445	7,943,118	8,291,496	50,497,352	28,014,807	12,024,200	\$140,618,709	\$139,246,895
Additions	1,219,654	743,158	61,810	707,315	795,953	275,705	163,621	3,967,216	1,448,971
Disposals	-	-	-	(138,190)	-	-	(46,707)	(184,897)	(77,157)
Balance, end of year	29,170,945	6,639,603	8,004,928	8,860,621	51,293,305	28,290,512	12,141,114	144,401,028	140,618,709
<b>Accumulated amortization:</b>									
Balance, beginning of year	-	2,941,272	3,114,001	4,581,573	23,664,799	13,314,570	5,130,265	52,746,480	53,158,239
Disposals	-	-	-	(134,628)	-	-	(18,599)	(153,227)	(64,714)
Amortization	-	99,772	176,356	670,783	2,433,597	483,621	200,007	4,064,136	(347,045)
Balance, end of year	-	3,041,044	3,290,357	5,117,728	26,098,396	13,798,191	5,311,673	56,657,389	52,746,480
Net book value, end of year	\$29,170,945	3,598,559	4,714,571	3,742,893	25,194,909	14,492,321	6,829,441	\$87,743,639	\$87,872,229

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

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## 7. Tangible capital assets (continued):

(a) Assets under construction

There were no assets under construction. All assets are in service and subject to amortization expense.

(b) Contributed tangible capital assets

During the year there were contributed assets of \$19,275 (2009 - \$347,045) recognized.

(c) Works of art and historical treasures

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

(d) Write-down of tangible capital assets

No write-down of tangible capital assets occurred during the year.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 8. Accumulated surplus:

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

	2010	2009
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 86,757,150	\$ 87,872,229
General	2,934,050	4,125,330
<b>Total surplus</b>	<b>89,691,200</b>	<b>91,997,559</b>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Public works equipment	88,582	189,607
Fire department equipment	325,862	273,120
Local service area	80,287	69,925
Capital expenditures	1,005,367	829,842
<b>Total reserve funds</b>	<b>1,500,098</b>	<b>1,362,494</b>
<b>Reserves set aside for specific purposes by Council:</b>		
General	1,840,598	2,019,034
Water utility	736,052	421,052
Sewer enterprise	628,766	448,766
<b>Total reserves</b>	<b>3,205,416</b>	<b>2,888,852</b>
	<b>\$ 94,396,714</b>	<b>\$ 96,248,905</b>

## 9. Taxation:

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 expenses.

	2010	2009
Provincial Government - school taxes	\$ 8,453,082	\$ 8,088,226
Capital Regional District	2,295,706	2,316,677
Capital Regional Hospital District	1,246,520	941,020
BC Assessment Authority	295,563	263,793
BC Transit Authority	921,257	808,099
Municipal Finance Authority	852	809
	<b>\$ 13,212,980</b>	<b>\$ 12,418,624</b>

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 10. Government grants:

The District recognizes the transfer of government funding as revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the consolidated statement of operations are:

	2010	2009
Provincial government:		
Small communities and equalization payments	\$ 167,703	\$ 977,804
Infrastructure grants	461,351	423,058
Other	180,607	107,789
	809,661	1,508,651
Federal government:		
Gas Tax Agreement funds	490,656	319,071
	\$ 1,300,317	\$ 1,827,722

## 11. Commitments and contingencies:

- (a) The CRD debt, under provisions of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the District.
- (b) The District is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated which provides 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 throughout 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) In the normal course of a year, claims for damages are made against the District. The District records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. 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.

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 12. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2010 operating and capital budgets approved by Council on May 10, 2010. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 25,955,071
Less:	
Transfers from own funds	(1,675,464)
Total revenue	24,279,607
Expenses:	
Operating budget	25,955,071
Less:	
Capital expenses	(3,861,831)
Transfer to own funds	(1,851,685)
Debt principal payments	(77,685)
Total expenses	20,163,870
Annual surplus	\$ 4,115,737

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 13. Segmented information:

The District is a diversified municipal organization that provides a wide range of services to its citizens. Certain segments that have different governance and responsibility have been separately disclosed in the segmented information, along with the services they provide, which are as follows:

### Municipal services:

Municipal services include services provided to the residents of Central Saanich including fire protection, building inspection, bylaw enforcement, development services, parks, water and sewer. These services are the direct responsibility of Council.

### Police services:

The Central Saanich Police Board provides policing services to the District. The Police Board ensures the safety of the lives and property of Central Saanich citizens through the enforcement of municipal bylaws, criminal laws and the laws of British Columbia, the maintenance of law and order; and the prevention of crime.

### Library services:

The Greater Victoria Library Board provides public library services to the residents of Central Saanich.

Additional information on the foregoing functions are as follows. The taxation revenues are allocated to the functions based on budgeted taxation revenues for 2010.

2010	Municipal services	Police services	Library services	Total
<b>Revenue:</b>				
Taxation	\$ 7,576,096	\$ 3,317,306	\$ 662,414	\$ 11,555,816
Non-taxation	9,684,460	847,156	-	10,531,616
<b>Total revenue</b>	<b>17,260,556</b>	<b>4,164,462</b>	<b>662,414</b>	<b>22,087,432</b>
<b>Expenses:</b>				
Salaries, wages and benefits	5,717,825	3,793,227	-	9,511,052
Materials and supplies	3,701,600	48,552	-	3,750,152
Services	5,322,063	534,770	699,374	6,556,207
Other	58,076	-	-	58,076
Amortization	4,011,042	53,094	-	4,064,136
<b>Total expenses</b>	<b>18,810,606</b>	<b>4,429,643</b>	<b>699,374</b>	<b>23,939,623</b>
<b>Annual deficit</b>	<b>\$ (1,550,050)</b>	<b>\$ (265,181)</b>	<b>\$ (36,960)</b>	<b>\$ (1,852,191)</b>

# THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements (continued)

Year ended December 31, 2010

## 13. Segmented information (continued):

2009	Municipal services	Police services	Library services	Total
<b>Revenue:</b>				
Taxation	\$ 6,726,540	\$ 3,317,306	\$ 662,414	\$ 10,706,260
Non-taxation	10,732,453	847,156	-	11,579,609
Total revenue	17,458,993	4,164,462	662,414	22,285,869
<b>Expenses:</b>				
Salaries, wages and benefits	5,374,519	3,529,971	-	8,904,490
Materials and supplies	3,947,499	83,854	-	4,031,353
Services	5,018,057	583,570	663,707	6,265,334
Other	9,179	-	-	9,179
Amortization	4,106,779	61,126	-	4,167,905
Total expenses	18,456,033	4,258,521	663,707	23,378,261
Annual deficit	\$ (997,040)	\$ (94,059)	\$ (1,293)	\$ (1,092,392)



*The Corporation of the District of Central Saanich*

July 25, 2011

Local Government Infrastructure and Finance  
Ministry of Community Services  
PO Box 9838 Stn Prov Government  
Victoria, BC  
V8W 9T1

**Re: 2010 Financial Information Act**

Please find enclosed the SOFI checklist and a copy of our 2010 Financial Statements. All the necessary schedules, statements and reconciliations as required by the Financial Information Act are also enclosed.

A letter confirming Council approval of the enclosed documents will be forthcoming.

Please note the following statements prepared under the Financial Information Regulations.

**STATEMENT OF SEVERANCE AGREEMENTS**

There were no severance agreements made between the Corporation of the District of Central Saanich and its non-unionized employees during the year ended December 31, 2010.

**STATEMENT OF GUARANTEE AND INDEMNITY AGREEMENTS**

There were no guarantees or indemnity agreements under the appropriate Regulations.

If you have any questions, please contact the author (250-544-4204) during regular business hours.

Sincerely,

Rosalyn Tanner, CMA  
Director of Financial Services

*1903 Mount Newton Cross Road, Saanichton, B.C. V8M 2A9*

*Phone: (250) 652-4444 Fax: (250) 652-0135*

# DISTRICT OF CENTRAL SAANICH

Schedule of remuneration and expenses - elected officials

December 31, 2010

Name	Position	Remuneration, taxable portion	Remuneration, non-taxable allowance	Remuneration (including allowance)	Benefits	Expenses	Total
Bryson	Councillor	\$ 7,882.95	3,941.48	\$ 11,824.43		\$ -	\$ 11,824.43
Garrison	Councillor	\$ 7,882.95	3,941.48	11,824.43	3,542.37	-	15,366.80
Kubek	Councillor	\$ 7,882.95	3,941.48	11,824.43		-	11,824.43
Mar	Mayor	\$ 19,887.11	9,943.55	29,830.66	5,076.09	2,050.24	36,956.99
Mason	Councillor	\$ 7,882.95	3,941.48	11,824.43	5,842.95	2,048.56	19,715.94
Olsen	Councillor	\$ 7,882.95	3,941.48	11,824.43	838.56	2,911.67	15,574.66
Siklenka	Councillor	\$ 7,882.95	3,941.48	11,824.43	5,076.09	6,354.64	23,255.16
Totals		\$ 67,184.81	\$ 33,592.43	\$ 100,777.24	\$ 20,376.06	\$ 13,365.11	\$ 134,518.41

Approved:  \_\_\_\_\_

Rosalyn Tanner, CMA - Director of Financial Services

## DISTRICT OF CENTRAL SAANICH

Schedule of remuneration and expenses - employers paid over \$75,000 sorted by Remuneration  
For the year ended December 31, 2010

Ranking	Name	Position	Remuneration	Expenses	Total
1	Nason, Gary	Administrator	\$ 149,652.53	1773.51	151,426.04
2	French, Ron	Fire Chief	\$ 123,754.86	2,370.71	126,125.57
3	Burns, Hope	Director, Planning	\$ 117,267.33	1,489.80	118,757.13
4	Bhattacharya, Nirmal	Municipal Engineer	\$ 117,123.33	5546.88	122,670.21
5	Tanner	Director, Finance	\$ 116,583.33	6310.73	122,894.06
6	Owens	Fire Inspector	\$ 112,698.88	123.9	112,822.78
7	Robertson, John	Fire Inspector	\$ 108,668.75	1139.57	109,808.32
8	Brown, Susan	Municipal Clerk	\$ 103,032.90	1,142.55	104,175.45
9	Bousquet	IT	\$ 100,967.91	4,824.96	105,792.87
10	Doerksen	Dir. Of Public Works	\$ 96,843.77	3,132.00	99,975.77
11	McKenzie	Mgr. Community Servc.	\$ 91,011.47	1065.54	92,077.01
12	Taylor	Chief Bldg Inspector	\$ 85,025.57	239.5	85,265.07
13	Syverson	Fire Inspector	\$ 83,857.52	997.41	84,854.93
14	Epp, Steve	Asst. Treasurer	\$ 78,627.22	2,273.96	80,901.18
15	Humphrey	Foreman	\$ 78,150.32	55.83	78,206.15
16	Chad	Mechanic	\$ 77,817.27	268.55	78,085.82
17	Bissenden	Foreman	\$ 77,249.16	1,962.91	79,212.07
18	Nelson	Foreman	\$ 77,128.14	2897.75	80,025.89
19	Rocheleau	Sr. Eng. Technician	\$ 76,684.53	1460.44	78,144.97
20	McConnell	IT	\$ 76,609.15	831	77,440.15
21	Sylvestre	Eng. Technician	\$ 76,037.76	0	76,037.76
22	Erskine	Foreman	\$ 75,764.42	1,674.10	77,438.52
23	Kearley	Lead Hand	\$ 75,147.87	282.45	75,430.32
<b>Totals</b>			<b>\$ 2,175,703.99</b>	<b>\$ 41,864.05</b>	<b>\$ 2,217,568.04</b>

Approved: \_\_\_\_\_



Rosalyn Tanner, CMA - Director of Financial Services

# DISTRICT OF CENTRAL SAANICH

Payments to suppliers - reconciliation

For the year ended December 31, 2010

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$	28,577,377	
Consolidated total of payments of \$25,000 or less paid to suppliers		2,331,094	\$ 30,908,471

## Reconciling items

Acquisition of tangible capital assets	(3,542,506)	
Taxes collected for other governments	(14,283,849)	
Employee income tax deducted at source	(1,663,582)	
Employee paid CPP and EI premiums	(298,847)	
Employee paid Pension premiums	(565,839)	
Employee paid other benefit premiums	(97,721)	\$ (20,452,344)

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Sub-total 10,456,127

---

Total of Materials, supplies and services per FS note 13 10,364,435

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\* Variance \$ 91,692

### \* Explained by

Cash vs. accrual reporting - the suppliers' schedule is done on a cash basis; the FS are prepared on an accrual basis.

Balance sheet transactions - the suppliers schedule would include payments for balance sheet transactions such as investments and surety deposits which are not shown as expenditures on the FS.

Approved: \_\_\_\_\_



Rosalyn Tanner, CMA - Director of Financial Services

# DISTRICT OF CENTRAL SAANICH

Schedule of remuneration and expenses - summary and reconciliation

For the year ended December 31, 2010

	<u>Remuneration</u>	<u>Expenses</u>
Elected officials	\$ 100,777	\$ 13,365
Municipal Employees, greater than \$75,000	2,175,704	41,864
Municipal Employees, less than \$75,000	2,897,873	32,997
Total Municipal Employees	<u>5,174,354</u>	<u>88,226</u>
Police department employees	3,136,007	39,093
Total Municipal and Police department employees	<u>\$ 8,310,361</u>	<u>\$ 127,319</u>
Total of salaries, wages and employee benefits per FS note 13	\$ 9,511,052	
less: employee benefits	(1,495,753)	
	<u>8,015,299</u>	
* Variance	<u>\$ 295,062</u>	

\* Explained by

Cash vs. accrual reporting - the remuneration schedule is done on a cash basis; the FS are prepared on an accrual basis.

Approved: \_\_\_\_\_

Rosalyn Tanner, CMA - Director of Financial Services

**District of Central Saanich  
YTD Paid Report**



AP5070

Page : 1

Date : Jul 25, 2011

Time : 11:40 am

Supplier Code From : 000  
To : ZUBE002  
Categories From : E - Employee  
To : WCB - WORKERS COMPENSATION

Sequence : By Code Date Range From : 01-Jan-2010  
To : 31-Dec-2010  
Suppress Printing for \$ Under 25,000.00

Supplier Code	Name	Total
000905	ISLAND ASPHALT LTD.	151,003.46
001015	JENNER CHEVROLET LTD	29,617.26
001123	KPMG LLP	48,825.00
001307	MEDICAL SERVICES PLAN REVENUE SERVICES OF B C	82,368.00
001314	MUNICIPAL INSURANCE ASSOCIATION B.C.	120,835.65
001341	MONK OFFICE SUPPLY LTD	39,238.69
001344	PACIFIC BLUE CROSS	448,543.41
001850	RECEIVER GENERAL FOR CANADA	2,089,145.41
001925	SHADES TANKERS (1976) LTD	66,011.82
001949	SEAFIRST INSURANCE BROKERS LTD.	215,480.00
001951	SUBURBAN MOTORS LTD.	80,759.51
002207	CENTRAL SAANICH VOLUNTEER FIREFIGHTERS ASSOCIATION	38,380.00
002304	WORK SAFE BC	65,243.49
003308	WASTE MANAGEMENT OF CANADA CORPORATION	35,331.98
009915	C-1 CONTRACTORS LTD.	833,153.88
4ARG002	ARGUS EXCAVATING LTD.	29,587.51
4AVA002	AVALON INDUSTRIES	99,292.64
4BCG001	CORIX WATER PRODUCTS LIMITED PARTNERSHIP	229,752.43
4BCL001	BC LIFE & CASUALTY COMPANY	134,395.26
4BEH001	BEHUNE DAN	29,993.85
4BO02	BOBCAT COUNTRY SALES/VERMEER OF BC	34,832.00
4BRL001	BRENTWOOD BAY LODGE	33,614.75
4CAT003	CAPITAL TREE SERVICE	31,439.10
4COT003	COMPUGEN SERVICES LTD	78,068.93
4CRE004	CREST	103,448.35
4DAM003	D'AMBROSIO	51,402.00
4DESJ001	DESJARDINS CARD SERVICES	143,367.96
4ERI01	ERIC CURTIS CONSTRUCTION LTD	65,954.56
4FAN001	FANTASTIC CLEANING LTD	56,389.34
4FIR002	1ST TEAM CONSULTING LTD	206,207.74
4FOC01	FOCUS CORPORATION	25,194.40
4GEN006	GENIVAR INC	48,384.03
4GRP001	GREATER VICTORIA PUBLIC LIBRARY	699,374.00
4ISL005	ISLANDER VENTURES LTD	30,299.58
4JOH011	JOHNSTON DAVIDSON	97,301.84
4KER02	KERR WOOD LEIDAL	29,844.98
4KEW001	KERR WOOD LEIDAL	37,973.00
4LEV011	LEVELTON CONSULTANTS LTD	45,188.17
4LIN05	LINNAEA NURSERIES LTD	35,884.72
4MAIN001	MAINROAD MAINTENANCE PRODUCTS	25,875.82
4MCR001	MCRAE'S ENVIRONMENTAL SERVICES LTD.	71,651.09
4MUNI001	MUNICIPAL PENSION PLAN	1,450,927.33
4PRO015	PRONOVOST BOB (ROBERT)	80,126.02
4PRS003	PROVINCIAL SCHOOL TAX DEPOSIT TO ACCOUNT	5,646,816.77
4RAY001	RAYMOND JAMES LTD	1,000,000.00
4RAY002	RAYLEC POWER LTD.	67,730.42
4RTH009	RICK THOM CONSTRUCTION	73,841.98
4ROY002	ROYAL CANADIAN MOUNTED POLICE	102,768.96
4SAA010	SAANICHTON DEVELOPMENT LTD	239,480.96
4SMA002	SMALL & ROSSELL LANDSCAPE ARCHITECTS	37,120.04
4STA001	STANTEC CONSULTING LTD	29,428.82
4STAN002	STANTEC CONSULTING LTD (SCL)	40,579.89

**District of Central Saanich  
YTD Paid Report**



AP5070

Page : 2

Date : Jul 25, 2011

Time : 11:40 am

Supplier Code From : 000  
To : ZUBE002  
ories From : E - Employee  
To : WCB - WORKERS COMPENSATION

Sequence : By Code Date Range From : 01-Jan-2010  
To : 31-Dec-2010  
Suppress Printing for \$ Under 25,000.00

Supplier Code	Name	Total
4TEL001	TELUS MOBILITY	49,285.68
4TEL002	TELUS COMMUNICATIONS COMPANY	37,166.69
4TEL007	TELUS COMMUNICATIONS COMP	34,000.00
4TEMP001	TEMPEST DEVELOPMENT GROUP	178,305.17
4VADI002	VADIM SOFTWARE	39,710.02
4YOU002	YOUNG ANDERSON BARRISTERS & SOLICITORS "IN TRUST"	1,152,004.14
4YOUN001	YOUNG ANDERSON BARRISTERS &	325,837.23
4ZBE001	ZBEETNOFF AGRO-ENVIRONMENTAL	46,064.80
6874001	687346 BC LTD	33,890.36
ACKL001	ACKLANDS - GRAINGER INC.	91,749.42
BCAS001	B C ASSESSMENT AUTHORITY	296,130.15
BCHY001	B C HYDRO & POWER AUTHORITY	188,048.66
BCTR001	B.C. TRANSIT	923,448.41
BUDG002	BUDGET RENT-A-CAR	38,940.21
BUTL001	BUTLER BROTHERS SUPPLIES LTD	51,901.26
CAPI002	CAPITAL CITY PAVING LTD.	272,858.57
CAPI003	CAPITAL REGIONAL HOSPITAL	1,246,851.41
CAPI004	CAPITAL REGIONAL DISTRICT	7,094,050.28
CENT001	CENTRAL SAANICH POLICE ASS'N	68,732.90
CHEV001	CHEVRON CANADA LTD.	146,391.60
COS001	COSSETTES ELECTRICAL SYSTEMS	27,929.56
CVIC001	CITY OF VICTORIA	56,062.25
DGRE001	D.G.REGAN AND ASSOCIATES LTD.	41,464.38
DSAA001	DISTRICT OF SAANICH	267,183.27
G&EE001	G & E EQUIPMENT RENTALS L	45,279.36
LEVE001	LEVELTON CONSULTANTS LTD	55,423.97
P&RR001	P & R WESTERN STAR TRUCKS	155,564.34
SCOT004	SCOTTISH LINE PAINTING LTD.	25,607.98
<b>Total Suppliers Equal and Over</b>		<b>25,000.00</b>
<b>Other Suppliers Under</b>		<b>25,000.00</b>
<b>Total Of Printed Suppliers :</b>		<b>30,907,793.05</b>

The Corporation of the District of Central Saanich

2011 Property Tax Rates  
(Dollars per \$1,000 of taxable assessment)

Taxing Authority	Residential Class 1	Utilities Class 2	Light Industry Class 5	Business/ Other Class 6	Recreation/ Non-Profit Class 8	Farm Class 9	Budgeted Total Dollars
<b>General</b>							
Municipal - General	1.77262	9.12934	3.08347	3.83681	4.04955	2.20957	7,392,369
Municipal - Debt	0.04596	0.23671	0.07995	0.09946	0.10500	0.05729	191,667
Municipal - Police	0.88451	4.55541	1.53861	1.91408	2.02067	1.10254	3,688,530
Sub-total - Central Saanich	<b>2.70309</b>	<b>13.92146</b>	<b>4.70203</b>	<b>5.85035</b>	<b>6.17521</b>	<b>3.36940</b>	<b>11,272,566</b>
GVPL	0.17550	0.90384	0.30528	0.37977	0.40092	0.21876	731,843
Sub-total - General Municipal	<b>2.87859</b>	<b>14.82530</b>	<b>5.00730</b>	<b>6.23013</b>	<b>6.57613</b>	<b>3.58816</b>	<b>12,004,409</b>
Regional District - General	0.59460	3.06231	1.03431	1.28671	1.35836	0.74117	2,479,564
Regional District - Water	0.04056	0.20889	0.07055	0.08777	0.09266	0.05056	152,387
Regional District - Sewer	0.62487	3.21821	1.08696	1.35222	1.42752	0.77890	2,034,726
Sub-total - CRD	<b>1.26003</b>	<b>6.48941</b>	<b>2.19182</b>	<b>2.72670</b>	<b>2.87854</b>	<b>1.57063</b>	<b>4,666,677</b>
Total General	<b>4.13862</b>	<b>21.31471</b>	<b>7.19912</b>	<b>8.95683</b>	<b>9.45468</b>	<b>5.15879</b>	<b>16,671,086</b>
School Tax	1.67030	14.10000	6.60000	6.60000	3.40000	6.80000	8,300,023
School Tax Credit	0.00000	0.00000	-3.96000	0.00000	0.00000	-3.40000	8,300,023
	1.67030	14.10000	2.64000	6.60000	3.40000	3.40000	
<b>Other Governments</b>							
Regional Hospital District	0.28773	1.00706	0.97828	0.70494	0.28773	0.28773	1,250,455
B.C. Assessment	0.06210	0.51140	0.18960	0.18960	0.06210	0.06210	285,333
Municipal Finance Authority	0.00020	0.00070	0.00070	0.00050	0.00020	0.00020	874
B.C. Transit	0.21730	1.08650	1.08650	1.08650	0.21730	0.21730	1,171,406
Total other governments	<b>0.56733</b>	<b>2.60566</b>	<b>2.25508</b>	<b>1.98154</b>	<b>0.56733</b>	<b>0.56733</b>	<b>2,708,068</b>
<b>Total CRD, Other Gov't &amp; School Tax</b>	<b>3.49766</b>	<b>23.19507</b>	<b>7.08690</b>	<b>11.30824</b>	<b>6.84587</b>	<b>5.53796</b>	<b>27,679,177</b>
TOTAL TAX RATE	<b>6.37625</b>	<b>38.02037</b>	<b>12.09420</b>	<b>17.53837</b>	<b>13.42201</b>	<b>9.12612</b>	

**2010 ROLL TOTALS**  
Revised Roll

Area: 01 - Capital  
Jurisdiction: 302 - Central Saanich

Property Class	Occurrences	NET TAXABLE VALUE TOTALS		
		General	Hospital	School
Residential Vacant	107	27,132,500	27,132,500	27,139,800
Residential Single Family	4,685	2,592,111,604	2,592,111,604	2,592,111,604
Residential ALR	234	107,488,136	53,744,068	53,744,068
Residential Farm	234	9,159,900	9,159,900	9,159,900
Residential Strata	962	352,520,700	352,520,700	352,520,700
Residential Other	70	58,797,002	58,797,002	58,797,002
<b>1 - *Total Residential *</b>	<b>6,292</b>	<b>3,147,209,842</b>	<b>3,093,465,774</b>	<b>3,093,473,074</b>
2 - Utilities	12	933,000	12,227,000	26,683,100
5 - Light Industry	29	59,689,300	59,689,300	59,689,300
6 - Business And Other	436	356,933,550	356,933,550	356,933,550
8 - Rec/Non Profit	79	23,328,000	23,328,000	23,328,000
9 - Farm	422	6,882,522	3,441,161	3,441,161
S.353LGA/398VC	3	11,294,000	0	0
<b>Totals for Jurisdiction</b>		<b>3,606,270,214</b>	<b>3,549,084,785</b>	<b>3,563,548,185</b>

Folio Count: 6,393  
Active: 6,393  
Reference: 0  
**Total: 6,393**

Net Taxable Assessment:  
General: 3,606,270,214  
Less S.353LGA/398VC: 11,294,000  
**Total: 3,594,976,214**

Net Taxable Assessment:  
School Residential: 3,093,473,074  
School Non-Residential: 470,075,111  
**School Total: 3,563,548,185**



**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 SUBSECTIONS 2 AND 3 OF SECTION 124 OF PART 8 OF THE SCHOOL ACT TO THE MINISTRY OF COMMUNITY, SPORT AND CULTURAL DEVELOPMENT**

At the request of the Corporation of the District of Central Saanich (the "District"), we have audited the District's compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2010. Compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act is the responsibility of the District's management. Our responsibility is to express an opinion on this compliance 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 District complied with subsections 2 and 3 of section 124 of Part 8 of the School Act. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act and, where applicable, assessing the accounting principles used and significant estimates made by management.

The Part II remittance was under remitted by \$12,454. This amount was subsequently remitted as part of the August remittance.

In our opinion, except that the Part II remittance was under remitted, the District has complied, in all material respects, with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2010.

Chartered Accountants

Victoria, Canada

August 10, 2011



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## INDEPENDENT AUDITORS' REPORT

To the Ministry of Community, Sport and Cultural Development

We have audited the accompanying Home Owner Grant: Treasurer/Auditor Certificate (the "Certificate") for the Corporation of the District of Central Saanich (the "Entity"), for the year ended December 31, 2010. The Certificate has been prepared by management based under the provisions of Section 12 of the Home Owner Grant Act.

### *Management's Responsibility for the Certificate*

Management is responsible for the preparation of the Certificate in accordance with the provisions of Section 12 of the Home Owner Grant Act, and for such internal control as management determines is necessary to enable the preparation of the Certificate that is free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the Certificate 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 Certificate is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Certificate. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Certificate, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the Certificate 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 Certificate.

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

### *Opinion*

In our opinion, the financial information in the Certificate is prepared, in all material respects, in accordance with the provisions of Section 12 of the Home Owner Grant Act.

### *Restriction on Distribution*

The Certificate is prepared to meet the requirements under the provisions of Section 12 of the Home Owner Grant Act. As a result, the Certificate may not be suitable for another purpose. Our report is intended solely for the Entity and the Ministry of Community, Sport and Cultural Development and should not be distributed to parties other than the Entity or the Ministry of Community, Sport and Cultural Development.

Chartered Accountants

August 10, 2011  
Victoria, Canada