

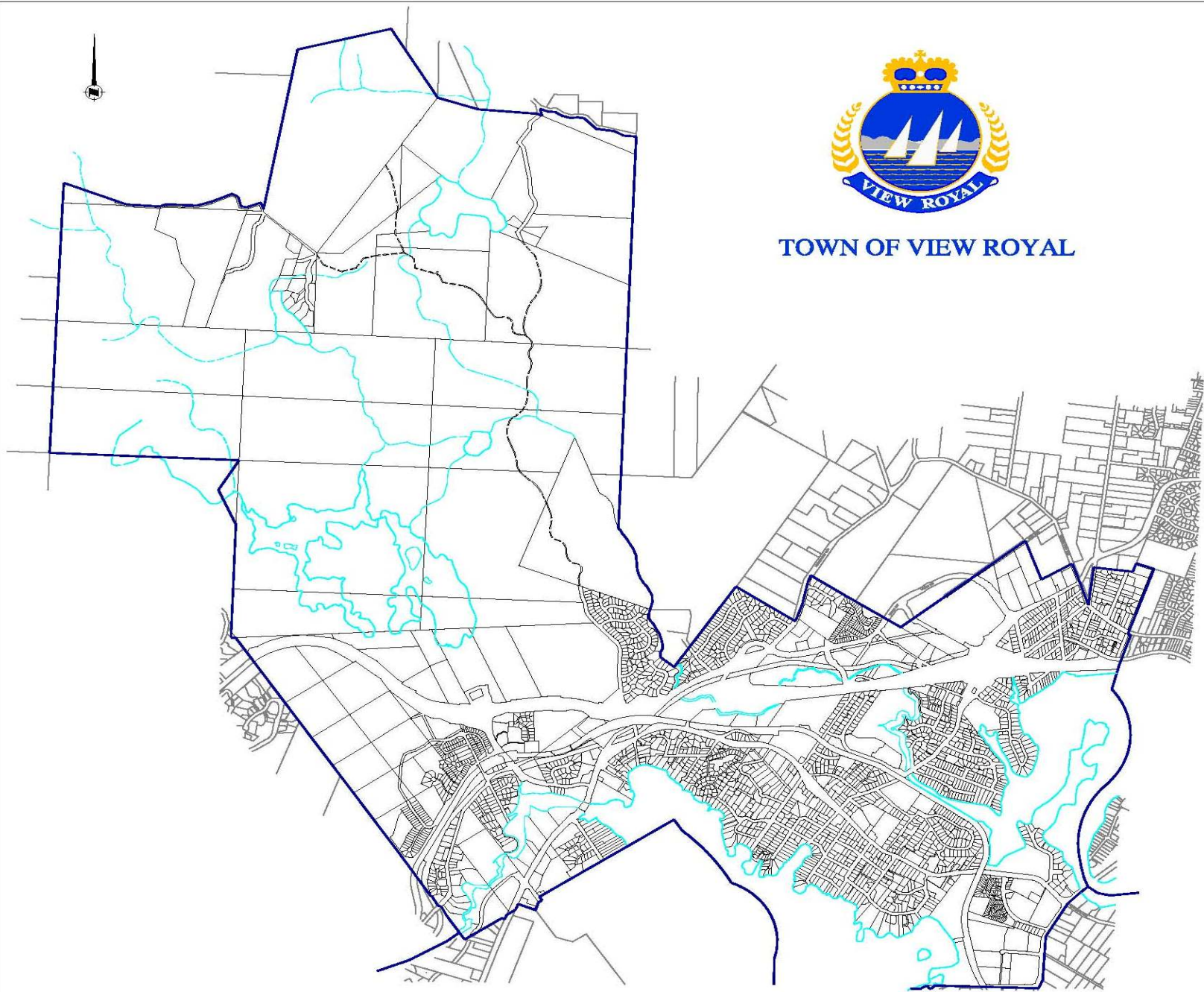


Town of View Royal 2010 Annual Report

“liveable, green and sustainable”



TOWN OF VIEW ROYAL





Welcome!

This calendar is the Town of View Royal's 2010 Annual Report, highlighting the Town's achievements and major projects.

In the calendar you will find a report on the Town's services and operations for 2009, a progress on 2009 municipal objectives, municipal goals and objectives for 2010-2012 and 2009 financial information.

FAST FACTS:

Incorporation: December 5, 1988

Population: 8,768*

Land Area: 2,499 hectares

Parkland: 728 hectares

* as certified by Statistics Canada, Census, 2006



2010 ANNUAL REPORT

June 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Summer hours begin (8-4 p.m.) Council meeting 7 pm	2	3	4	5
6	7	8 Committee of the Whole meeting 3:30 pm., evening session 7 pm	9	10	11	12
13	14	15 Council meeting 7 pm	16	17	18	19
20	21	22	23	24	25	26
27	28	29 View Royal Parks Plan Open House 3-6 pm	30			

Corporate Structure:

Council is the governing body of the Town and makes policy decisions that allow for the successful and continuing operation of the municipality.

Council:

Mayor Graham Hill

Chair: Finance and Administration

Councillor Andrew Britton

Chair: Public Works and Transportation

Councillor Heidi Rast

Chair: Protective Services and Community Services

Councillor John Rogers

Chair: Planning and Development

Councillor David Screech

Chair: Parks, Recreation and Environment

Staff:

Chief Administrative Officer:

Kim Anema (June 2010-present)

Mark Brennan (2009-April 2010)

Director of Corporate Administration:

Sarah Jones

Director of Finance:

Kathy Young (September 2009-present)

Manager of Finance:

Mark Gloumeau (January –August 2009)

Director of Development Services

Lindsay Chase

Director of Engineering:

Emmet McCusker

Fire Chief:

Paul Hurst



From left to right: Councillor Heidi Rast, Councillor David Screech, Mayor Graham Hill, Councillor John Rogers and Councillor Andrew Britton



2010 ANNUAL REPORT

July 2010



Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 Canada Day— Town Hall closed	2 Last day to pay 2010 property taxes	3
4	5	6 Council meeting 7 pm	7 Island Highway Improvement Pro- ject Open House 3-8 pm	8	9	10
11	12	13 Committee of the Whole meeting 3:30 pm, evening session 7 pm	14	15	16	17
18	19	20 Council meeting 7 pm	21	22	23	24
25	26	27 Advisory Committee meeting 7 pm	28	29	30	31

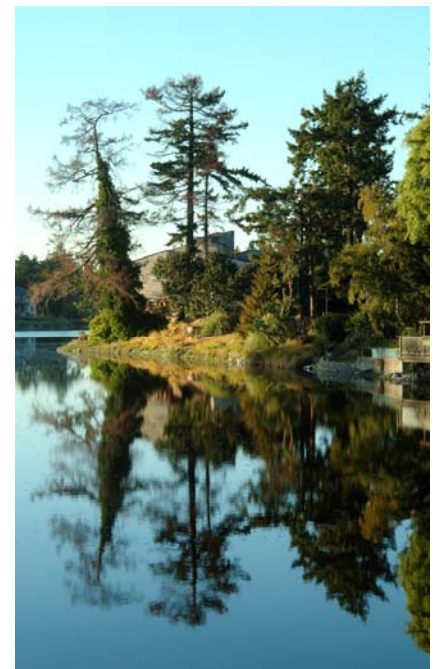
Community Profile:

Since the Town's incorporation there has been significant growth and development in View Royal while still maintaining small town character.

View Royal has been divided into eight distinct precincts based on such factors as topography, major transportation corridors, natural environment and the age of housing stock. These precincts are:

- Craigflower
- Harbour
- Helmcken
- Hospital
- Thetis
- Burnside
- Atkins
- Wilfert

The municipality encompasses McKenzie Pike, Prior and Thetis Lakes and portions of Esquimalt Harbour and Portage Inlet and is situated adjacent to the established jurisdictions of the Township of Esquimalt and the District of Saanich.





2010 ANNUAL REPORT

August 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 BC Day—Town Hall closed	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Municipal Goals and Objectives for 2009-2011

The municipal goals and objectives set for 2009, 2010 and 2011 are outlined in the Strategic Plan which was adopted by Council in 2009. Five key areas have been identified and are described on the following pages. These areas are: Sustainable View Royal; Well Planned, Liveable Community; Transportation; Safe and Protected Community; and Organizational Excellence.

Sustainable View Royal

Objectives:

Strong identity – a unique town with its own attitude, character and common purpose
 Economic and fiscal health – the sustainability foundation
 Environmental stewardship – green lifestyles and operations, ecological protection
 Social diversity – a welcoming and accessible town
 Well maintained infrastructure



Strategy	Measure	Outcome
Complete corporate Energy and Emissions Plan by summer 2009	Completion status of Plan	Completed
Complete community Energy and Emissions Plan by spring 2010	Completion status of Plan	Delayed due to grants
Develop a long-term infrastructure maintenance plan by year end 2010	Development status of Plan	Ongoing
Develop a Sustainability Checklist for use in Development Application Reviews by December 2010	Development status of checklist	Ongoing
Adopt stormwater bylaw by year end 2010	Status of Bylaw	To be completed by year end 2010
Complete a review of subdivision servicing standards by mid-year 2011	Status of review of subdivision servicing standards	To be completed by 2011

2010 ANNUAL REPORT

September 2010



Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6 Labour Day— Town Hall closed	7 Council meeting 7 pm	8	9	10	11
12	13	14 Committee of the Whole meeting 3:30 pm, evening session 7 pm	15	16	17	18
19	20	21 Council meeting 7 pm	22	23	24	25
26	27	28 Advisory Committee meetings 7 pm	29	30		

Municipal Goals and Objectives for 2009-2011 (cont'd)

Well Planned, Liveable Community

Objectives:

A complete and balanced community

Well serviced neighbourhoods

Active, healthy lifestyles

Increased housing options to support social diversity

Linked and integrated plans such as the Regional Growth Strategy (RGS), Strategic Plan, Official Community Plan (OCP), Parks Plan, Transportation Plan, Trails Plan, Sidewalk Plan

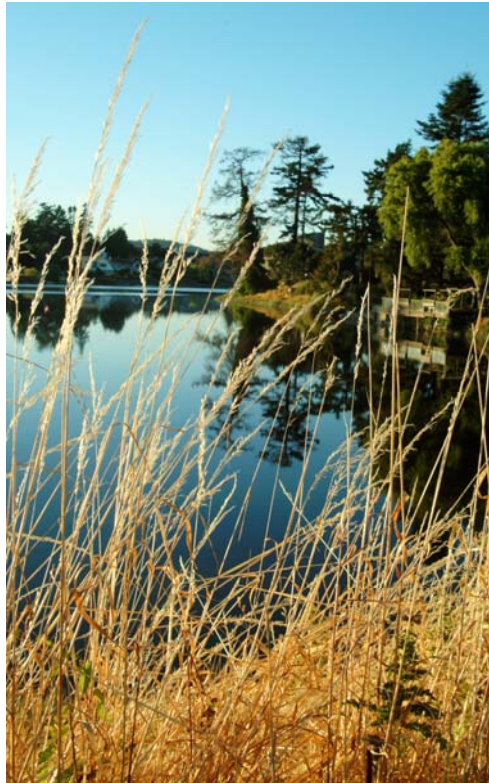


Strategy	Measure	Outcome
Revise and adopt Parks Plan Implementation Schedule by summer 2009	Status of Plan implementation schedule	Ongoing
Develop integrated Capital Implementation Plan based on approved plans (Transportation, Trails, Sidewalks, Parks, Sewers) by December 2009 – to inform next budget cycle	Development status of Capital Implementation Plan	Ongoing.
Complete site plan for View Royal Park by end of March 2010	Completion status of Plan for View Royal Park	Ongoing
Adopt Official Community Plan update by September 2010	Status of OCP adoption process	In progress/on schedule
Revise Transportation Plan and Sidewalks Plan based on approved OCP by year end 2010	Revision status of Transportation and Sidewalk Plans	Awaiting OCP
Develop and adopt an urban forest strategy (inventory, replanting and protection) by year end 2010	Development status of urban forest strategy	Boulevard trees to be completed by year end 2010
Complete Official Community Plan – Related Land Use Bylaw update by summer 2011	Completion status of Plan with related LUB updates	To be completed by summer 2011
Resolve outstanding untitled parks ownership questions progressively to year end 2011	Status of outstanding untitled parks ownership questions	To be completed by year end 2011
Develop a land acquisition and disposition policy by year end 2011	Development status of policy	To be completed by year end 2011
Create Heritage Plan and Community Heritage Registry for View Royal	Indicate if Heritage Plan and Community Heritage Registry created	Ongoing



2010 ANNUAL REPORT

October 2010



Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5 Council meeting 7 pm	6	7	8	9
10	11 Thanksgiving Day— Town Hall closed	12 Committee of the Whole meeting 3:30 pm, evening session 7 pm	13	14	15	16
17	18	19 Council meeting 7 pm	20	21	22	23
24	25	26	27	28	29	30
31						

Municipal Goals and Objectives for 2009-2011 (cont'd)

Transportation

Objectives:

Commitment to active and green transportation
 Efficient regional hub (TCH, Island Highway, E&N rail)
 Safe, calm and efficient movement of commuter traffic
 Viable alternatives for commuters currently using Island Highway
 A walkable town



Strategy	Measure	Outcome
Complete Helmcken Road project north of TCH (improvements to traffic calming in 2009)	Completion status of project	To be completed by 2010 year end. Some plantings in 2011
Develop sidewalk and trail implementation plan and priorities by year end 2009	Development status of plan and priorities	Ongoing, will be updated as part of Transportation Master Plan following the Official Community Plan
Update parking standards and bike facility requirements in Land Use Bylaw by spring 2010	Status of updates	In progress
Complete Island Highway Improvement Project by year end 2010	Completion status of project	Will be completed with possible exception of final paving (March 2011)
Complete sidewalk and cycling lane projects (Colwood border to Parson's Bridge) by year end 2010	Completion status of projects	Will be completed by 2010 year end
Complete Helmcken Road project north of TCH – contingent on funding, complete larger project by 2011	Completion status of project	To be completed by 2011
Implement traffic calming and pedestrian measures on Watkiss Way, contingent on funding in 2011	Implementation status	To be completed by 2011 Burnside/Watkiss Way signal has been designed
Develop E&N Rail Trail Connectors in 2010 and 2011	Development status of project	E&N trail connection between Four Mile Pub and Town Hall to be completed in 2010. Other connections to be completed when Trail is built



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November 2010



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2 Council meeting 7 pm	3	4	5	6
7	8	9 Committee of the Whole meeting 3:30 pm, evening session 7 pm	10	11 Remembrance Day - Town Hall closed	12	13
14	15	16 Council meeting 7 pm	17	18	19	20
21	22	23 Advisory Committee meetings 7 pm	24	25	26	27
28	29	30				

Municipal Goals and Objectives for 2009-2011 (cont'd)

Safe and Protected Community

Objectives:

Effective, rationalized and coordinated emergency and disaster response
Improved sense of safety and security
A community committed to crime prevention and emergency preparedness



Strategy	Measure	Outcome
Complete Fire Department Operational Plan by spring 2009	Status of Plan	Completed
Complete Town of View Royal Risk Assessment by year end 2009	Completion status of Assessment	Completed
Update Emergency Plan by year end 2009	Status of Plan	Completed
Update Bylaw Enforcement policies, procedures and plans by year end 2009	Status of bylaw enforcement policies, procedures and plans	Completed
Move forward on Fire Hall replacement – location determined , design complete and voter approval for funding sought in 2010	Status of Fire Hall replacement Plan	Location determined , land acquisition process considered
Strive to improve response times to fire, rescue and medical emergencies	Improvements made	Improvements made as identified in the operational plan, additional staff hired 1 full-time and 2 part-time firefighters, providing 7 day a week coverage



2010 ANNUAL REPORT

December 2010



Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 Council meeting 7 pm	8	9	10	11
12	13	14 Committee of the Whole meeting 3:30 pm, evening session 7 pm	15	16	17	18
19	20	21	22	23	24 Town Hall closes at 2 pm	25 Christmas Day
26 Boxing Day	27 Town Hall closed due to statu- tory holidays	28 Town Hall closed due to statu- tory holidays	29 Town Hall closed	30 Town Hall closed	31 Town Hall closed	

Municipal Goals and Objectives for 2009-2011 (cont'd)

Organizational Excellence

Objectives:

Effective and strategic allocation of financial and human resources
 Financial sustainability and stewardship of municipal assets
 Effective internal and external communications
 Municipal facilities and business systems that support outstanding service and high productivity



Strategy	Measure	Outcome
Complete review of standing and advisory committee structure by June 2009	Completion status of review	Completed
Complete Communications Strategy by year end 2009, including newsletter review	Completion status of strategy and newsletter review	Completed
Develop system for tracking and reporting on correspondence, enquiries and Council requests by year end 2009	Development status of tracking system	Completed
Launch new Town website in 2009 <ul style="list-style-type: none"> electronic Home Owner Grant capability in 2009 e-commerce capability in 2010 	Status of: Town website Electronic Homeowner Grant capability E-commerce capability	Town website completion anticipated for mid 2010 Electronic homeowner grant capability completed E-commerce capability ongoing
Complete a Financial Sustainability Review by year end 2010	Completion status of review	Ongoing
Complete Long Term Capital/Financial Plan by year end 2010	Completion status of Plan	Ongoing
Update Policies and Procedures by 2010	Status of updates	Sections to be completed throughout 2010
Implement Geographical Information System in 2010	Implementation status of GIS	Ongoing
Complete upgrade of Records Management System by year end 2011	Completion status of upgrade	Paper records to be completed by end of 2010, electronic records by 2011



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January 2011



Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1 New Years Day
2	3 Town Hall closed due to statutory holiday	4 Council meeting 7 pm	5	6	7	8
9	10	11 Committee of the Whole meeting 3:30 pm, evening session 7 pm	12	13	14	15
16	17	18 Council meeting 7 pm	19	20	21	22
23	24	25 Advisory Committee meetings 7pm	26	27	28	29
30	31					

Summary of Services and Operations:

The Town of View Royal is responsible for the provision of a wide variety of local services and programs. These include:

- Transportation network (e.g. roads, bridges, street cleaning, sidewalks)*
- Storm water management
- Garbage/household food waste collection
- Sanitary sewer collection system
- Parks and recreation facilities
- West Shore Royal Canadian Mounted Police (RCMP)
- Fire protection and inspection
- Emergency preparedness planning
- Land use planning
- Building permits
- Business licensing
- Bylaw establishment and enforcement
- Economic development
- Heritage and revitalization

* excludes maintenance of Admirals Road, Six Mile Road and the Trans Canada Highway (Highway 1) which are controlled by the Ministry of Transportation and Infrastructure.

Services provided to the Town by the Capital Regional District:

- Animal control
- Sewer system management
- Water management
- Recycling
- CRD Health Board

Services that are not the responsibility of the Town include:

- School system (Provincial Government and Local School Boards)
- Social and health programs (Provincial Government)
- Hospital care system (Provincial Government)
- Real property assessments (B.C. Assessment)
- Library collection and distribution system (Greater Victoria Public Library)
- View Royal Reading Centre (Town provides partial support through a grant-in-aid)
- Planning and the management of public transit (Victoria Regional Transit System)

The Town is represented on the following boards, which provide a variety of services to the residents of View Royal:

- Capital Regional District
- Capital Regional District Hospital
- Capital Regional District Housing Trust Fund Commission
- West Shore Parks and Recreation Society
- Greater Victoria Public Library
- Community Policing





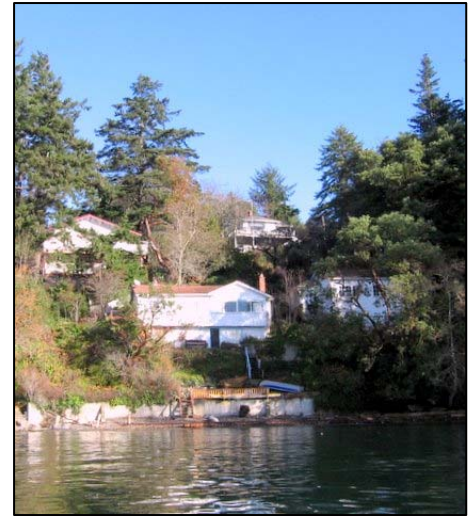
2010 ANNUAL REPORT

February 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Council meeting 7 pm	2	3	4	5
6	7	8 Committee of the Whole meeting 3:30 pm, evening session 7 pm	9	10	11	12
13	14	15 Council meeting 7 pm	16	17	18	19
20	21	22	23	24	25	26
27	28					

2009 Municipal Highlights:

- Official Community Plan review with workshops, open houses and walking tours held
- Opening of Parson's Bridge cantilever bike lane
- Appointment of new Director of Finance
- New Fire Department rescue truck
- Participation as a Route Community in the Olympic Torch Relay
- Presentation to the Fire Department by The Land Conservancy thanking them for their work at the Craigflower Manor fire
- Island Highway Improvement Project initiated
- Fibre Optic Task Force mandate extended
- 2009-2011 Strategic Plan adopted
- Review of Development Procedures
- New tree protection bylaw initiated
- Initiation of heritage designation of the Hart Road Limekiln
- Strawberry Vale District and Community Club presented three volumes of historic club records and documents to View Royal Archives
- Addition of 1 full-time and 2 part-time Firefighters positions
- Amendment to Advisory Committee structure
- View Royal Sustainability Fair held
- New website initiated
- Construction value of building permits issued in 2009 totaled \$12,108,746.95
- 320 business licenses issued in 2009 (190 home-based and 130 non home-based)





2010 ANNUAL REPORT

March 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Council meeting 7 pm	2	3	4	5
6	7	8 Committee of the Whole meeting 3:30 pm, evening session 7 pm	9	10	11	12
13	14	15 Council meeting 7 pm	16	17	18	19
20	21	22 Advisory Committee meetings 7 pm	23	24	25	26
27	28	29	30	31		

The following five strategic themes will be pursued in the coming years, as set out by the Strategic Plan 2009-2011:

1. Sustainable View Royal

We manage View Royal in challenging times and continue to be progressive about our economic, social and environmental sustainability. Together, over the next three years we will build a strong community identity; take steps to ensure economic and fiscal health into the future; and continue our commitment to environmental stewardship; and responsibly maintain our existing infrastructure.

2. Well Planned, Liveable Community

View Royal must take advantage of every opportunity in the next three years to ensure a healthy, liveable and balanced town that supports the lifestyle and provides the services that our residents require.

3. Transportation

View Royal is a regional transportation and utilities hub. We will have many opportunities over the next three years to systematically solve persistent traffic problems, embrace active and green transportation alternatives, and influence regional transportation policy for the benefit of our residents and businesses.

4. Safe and Protected Community

Safety and security of our residents and property is always of paramount importance. Given the potential risks that face the community, optimal police, fire and ambulance service is a desired outcome.

5. Organizational Excellence

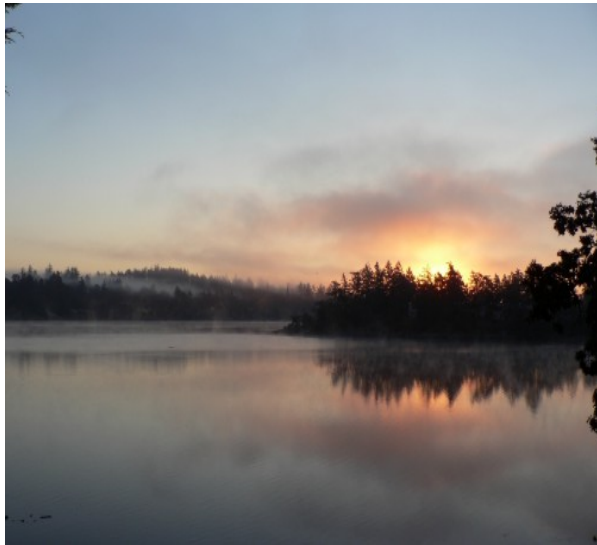
We must constantly strive to provide optimal governance, administrative and operational services. Over the next three years, our priority will be on improving communications, financial stewardship and upgrading business systems.





2010 ANNUAL REPORT

April 2011



Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5 Council meeting 7 pm	6	7	8	9
10	11	12 Committee of the Whole meeting 3:30 pm, evening session 7 pm	13	14	15	16
17	18	19 Council meeting 7 pm	20	21	22 Good Friday— Town Hall closed	23
24	25 Easter Monday—Town Hall closed	26	27	28	29	30

Town Vision:

The Town of View Royal is determined to be one of the best places to call home: liveable, green and sustainable.

Liveable:

- Friendly, small town character imbedded in the full service Greater Victoria area
- Committed to nurturing both quality of life and social diversity
- Attractive—with residents, businesses, neighbourhoods and governments working together to create a unique, visually appealing town “with attitude”
- Safe and secure—our protective services appropriately resourced, coordinated and positioned for effective emergency response
- Village - like neighbourhoods that work for all ages: supportive, walkable, with a range of housing options and nearby opportunities to shop and recreate.

Green:

- Our waterfronts and sensitive natural environments both protected and accessible
- Our distinctive coastal, seaside character enhanced
- Pedestrian/cyclist friendly streets and greenspace corridors that connect our neighbourhoods, reduce automobile dependency, support active/healthy lifestyles and encourage access to our special natural places
- An environmentally conscious and responsible community

Sustainable:

- Protective of our heritage crossroads assets and foundations
- The impact of major flow-through transportation minimized
- Traditional appeal supported by modern, well maintained infrastructure and services
- Appropriate economic development providing local services and employment while diversifying and strengthening the tax base
- An informed and involved community, thoughtfully shaping its future.





2010 ANNUAL REPORT

May 2011



Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3 Council meeting 7 pm	4	5	6	7
8	9	10 Committee of the Whole meeting 3:30 pm, evening session 7 pm	11	12	13	14
15	16	17 Council meeting 7 pm	18	19	20	21
22	23 Victoria Day— Town Hall closed	24 Advisory Committee meetings 7 pm	25	26	27	28
29	30	31				

Municipal Mission:

The Town of View Royal fosters the social, environmental and economic well-being of the community, providing for:

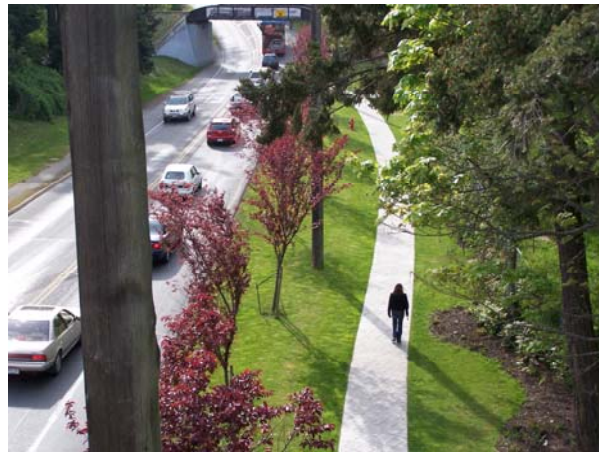
- Good government
- Services, laws and other matters for community benefit, and
- Effective stewardship of public assets.

Values and Operating Philosophy:

Town of View Royal Council members, staff and committees will be:

- Vision driven—our primary responsibility is to make community ambition become reality
- Committed to the common good—attuned to overall community need and regulatory requirements
- Proactive, progressive and innovative—open to opportunity and better ways of doing business
- Ethical, fair and honest
- Citizen driven—friendly, responsive and respectful of diverse views
- Excellent communicators—consultative, transparent, open and accessible
- Collaborative and cooperative—building alliances with community organizations and regional partners towards shared outcomes
- Informed and evidence driven—balancing opinion with fact and intelligence
- Accountable and fiscally responsible—making best and most efficient use of all resources entrusted to us
- Professional—committed to consistent application of policy and best practices, to due diligence, and to the orderly conduct of municipal business.





2010 ANNUAL REPORT

June 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 Council meeting 7 pm	8	9	10	11
12	13	14 Committee of the Whole meeting 3:30 pm, evening session 7 pm	15	16	17	18
19	20	21 Council meeting 7 pm	22	23	24	25
26	27	28	29	30		

Resident Information:

- Council meetings are held on the first and third Tuesdays of each month and Committee of the Whole meetings are held on the second Tuesday of each month.

Agendas are posted the Friday prior to the meeting on both the outside notice board of the Town Hall, as well as the Town's website at www.viewroyal.ca.

- Garbage pick-up in the Town of View Royal is contracted out to Waste Management, phone: 250-652-6242, if you have a problem with garbage pick-up please contact them directly.
- As of May 1, 2007 View Royal no longer allows outdoor burning. For further information please contact the View Royal Fire Department at 250-479-7322



Contact numbers:

Town Hall	250-479-6800
View Royal Fire Dept.	250-479-7322
Animal Control	250-478-0624
Canteen Composting	250-386-3343.
CRD Water	250-474-9600
Waste Management	250-652-6242
CRD Recycling Hotline	250-360-3030
Juan de Fuca Rec.	250-478-8384
Greater Victoria Public Library	250-361-0693
View Royal Reading Centre	250-479-2723



Town of View Royal

Financial Information

Fiscal year ended December 31, 2009

Financial Information

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Statement of Financial Information Approval

For the year ended December 31, 2009

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Kathy Young, CGA
Director of Finance
July 20, 2010

Graham Hill
Mayor
July 20, 2010

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9

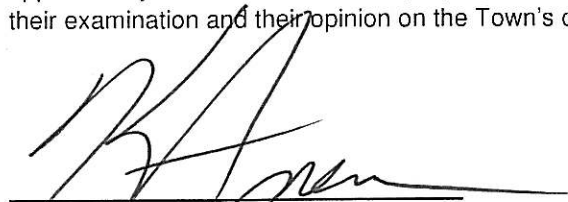
MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of View Royal (the "Town") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in note 1 to the consolidated 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 Town'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 consolidated financial statements. These systems are monitored and evaluated by management.

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

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



Chief Administrative Officer

Director of Finance



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

Telephone (250) 480-3500
Fax (250) 480-3539
Internet www.kpmg.ca

AUDITORS' REPORT

To the Mayor and Councillors of Town of View Royal

We have audited the consolidated statement of financial position of Town of View Royal as at December 31, 2009 and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended. These financial statements are the responsibility of the Town'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 consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2009 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 30, 2010

TOWN OF VIEW ROYAL

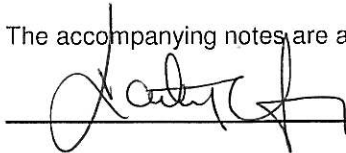
Consolidated Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Financial assets:		
Cash and short-term investments (note 3)	\$ 10,288,783	\$ 10,467,206
Taxes receivable	504,563	491,401
Accounts receivable	1,775,916	1,874,506
	12,569,262	12,833,113
Financial liabilities:		
Accounts payable and accrued liabilities	2,089,243	2,699,612
Deposits	608,751	715,076
Deferred revenue (note 4)	4,814,388	4,687,873
Prepaid property taxes	92,006	62,109
Long-term debt (note 5)	804,937	987,201
Obligations under capital leases (note 5)	35,582	99,735
Employee future benefit obligations (note 6)	106,549	90,970
	8,551,456	9,342,576
Net financial assets	4,017,806	3,490,537
Non-financial assets:		
Tangible capital assets (note 7)	92,029,743	92,731,435
Inventory of supplies	814	-
Prepaid expenses and deposits	37,350	116,956
	92,067,907	92,848,391
Accumulated surplus (note 8)	\$ 96,085,713	\$ 96,338,928

Commitments and contingencies (note 10)

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



Director of Finance

TOWN OF VIEW ROYAL

Consolidated Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008

	Budget	2009	2008
	(unaudited - note 11)		(Restated - note 2)
Revenue:			
Taxation, net (note 9)	\$ 4,793,281	\$ 4,757,127	\$ 4,333,891
User charges	1,388,331	1,409,788	1,596,590
Government transfers:			
Provincial	4,102,522	3,026,307	3,407,417
Federal	3,997,193	473,379	145,713
Municipal	6,400	10,020	21,640
Investment income	150,000	229,772	330,055
Interest on sinking fund assets	-	20,219	13,222
Penalties and fines	90,000	94,913	91,635
Development charges earned	-	112,053	-
Developer contributions	-	193,760	137,183
Contributions and donations	3,000	7,589	3,000
Other revenue from own sources	808,870	824,710	848,899
Total revenue	15,339,597	11,159,637	10,929,245
Expenses:			
General government	1,616,328	1,757,786	1,676,590
Protective services	2,125,583	2,203,609	2,141,979
Transportation services	1,718,648	3,126,134	2,816,128
Environmental health services	968,375	1,021,816	896,376
Planning and development	548,000	436,111	375,138
Recreation and cultural	2,031,655	2,867,396	2,591,414
Total expenses	9,008,589	11,412,852	10,497,625
Annual surplus (deficit)	6,331,008	(253,215)	431,620
Accumulated surplus, beginning of year	96,338,928	96,338,928	95,907,308
Accumulated surplus, end of year	\$ 102,669,936	\$ 96,085,713	\$ 96,338,928

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

TOWN OF VIEW ROYAL

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2009, with comparative figures for 2008

	Budget	2009	2008
	(unaudited - note 11)		(Restated - note 2)
Annual surplus (deficit)	\$ 6,331,008	\$ (253,215)	\$ 431,620
Acquisition of tangible capital assets	(6,711,033)	(1,835,702)	(2,539,691)
Amortization of tangible capital assets	-	1,930,997	1,932,381
Loss on sale of tangible capital assets	-	38,676	-
Proceeds on sale of tangible capital assets	-	3,500	1,062
Change in proportionate share of West Shore tangible capital assets	-	564,221	346,118
	(6,711,033)	701,692	(260,130)
Acquisition and consumption of inventory of supplies	-	(814)	-
Acquisition and consumption of prepaid expenses	-	79,606	(95,171)
Change in net financial assets	(380,025)	527,269	76,319
Net financial assets, beginning of year	3,490,537	3,490,537	3,414,218
Net financial assets, end of year	\$ 3,110,512	\$ 4,017,806	\$ 3,490,537

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

TOWN OF VIEW ROYAL

Consolidated Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (253,215)	\$ 431,620
Items not involving cash:		
Amortization of tangible capital assets	1,930,997	1,932,381
Loss on disposal of tangible capital assets	38,676	-
Change in employee benefits and other liabilities	15,579	(7,491)
Change in proportionate share of West Shore tangible capital assets	564,221	346,118
Actuarial adjustment on debt	(20,219)	(13,222)
Change in non-cash operating assets and liabilities:		
Accounts receivable	98,590	(47,552)
Property taxes receivable	(13,162)	(34,056)
Accounts payable and accrued liabilities	(610,369)	200,420
Deposits	(106,325)	(67,565)
Deferred revenue	126,515	(66,214)
Prepaid property taxes	29,897	(12,037)
Inventory of supplies	(814)	-
Prepaid expenses and deposits	79,606	(95,171)
	1,879,977	2,567,231
Capital activities:		
Acquisition of tangible capital assets	(1,835,702)	(2,539,691)
Proceeds on sale of tangible capital assets	3,500	1,062
	(1,832,202)	(2,538,629)
Financing activities:		
Capital lease payments	(64,153)	(60,004)
Debt repaid	(162,045)	(162,032)
	(226,198)	(222,036)
Decrease in cash and short-term investments	(178,423)	(193,434)
Cash and short-term investments, beginning of year	10,467,206	10,660,640
Cash and short-term investments, end of year	\$ 10,288,783	\$ 10,467,206

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

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements

Year ended December 31, 2009

Town of View Royal (the "Town") 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 Town are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the Town are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the combination of all the assets, liabilities, revenues, expenses, and changes in fund balances and in financial position of the Town. The financial statements of the Town includes the Town's proportionate interest in West Shore Parks and Recreation Society ("West Shore"), an organization jointly controlled by the Town. The Town does not administer any trust activities on behalf of external parties.

(b) Basis of accounting:

The Town 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.

Casino revenues are required to be spent on eligible expenditures as defined in the agreement with the provincial government. The gross revenue received is deferred and recorded as revenue when the related expenditures are incurred.

(c) 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 expenses are not yet incurred are included in deferred revenue.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

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

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenses are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

(e) 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.

(f) Short-term investments:

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

(g) Employee future benefits:

- (i) The Town 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 Town'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.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(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 cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Land improvements	15 - 40
Buildings and building improvements	20 - 70
Vehicles, machinery and equipment	5 - 25
Roads infrastructure	10 - 75
Drainage and sewer infrastructure	75 - 100

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

(ii) Contributions of tangible capital assets

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

(iii) Interest capitalization

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

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(iv) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventory of supplies

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

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include the termination of employee benefit obligations and provision for contingencies.

In addition, the Town's implementation of the Public Sector Accounting Handbook PS3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

2. Change in accounting policy:

The Town has implemented Public Sector Accounting Board ("PSAB") sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, purchased tangible capital assets were recorded as expenditures and then were also recorded as capital assets in the statement of financial position. The capital assets were not amortized.

Methods used for determining the cost of each major category of tangible capital assets

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Town applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, indices including the consumer price index were used as a resource for determining appropriate indices in order to deflate the replacement or reproduction cost to an estimated historical cost at the year of acquisition.

This change has been applied retroactively and prior periods have been restated. This change in accounting policy has changed amounts reported in the prior period as follows:

Accumulated surplus at January 1, 2008:

Operating fund balance	\$ 1,154,690
Capital fund balance	699,841
Reserves	2,951,767
Equity in physical assets	32,611,163
Accumulated surplus, as previously reported	37,417,461
Change in net book value of tangible capital assets	58,537,946
Change in deferred revenue	(48,101)
Accumulated surplus, as restated	\$ 95,907,306

Annual surplus for 2008:

Net revenues, as previously reported	\$ 206,652
Assets capitalized but previously expensed	2,539,691
Amortization expense not previously recorded	(1,932,381)
Change in proportionate share of West Shore	(359,743)
Change in deferred revenue	(22,599)
Annual surplus, as restated	\$ 431,620

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

3. Cash and short-term investments:

	2009	2008
Bank deposits	\$ 581,758	\$ 2,431,344
Municipal Finance Authority - Money Market	4,347,481	2,367,635
Municipal Finance Authority - Intermediate	663,816	53,505
Municipal Finance Authority - Short Term Bond	4,678,042	2,811,079
Other short-term investment	-	2,803,643
Restricted cash	17,686	-
	<u>\$ 10,288,783</u>	<u>\$ 10,467,206</u>

4. Deferred revenue:

The Town has entered into an agreement with the Province whereby 10% of the net gaming revenue from community casinos is to be paid to local governments. The Town has also entered into a casino revenue sharing agreement with neighbouring municipalities whereby 55% of the revenue received from the Province in respect of the gaming facility situated within the Town is to be disbursed to these governments. The balance of the revenue received from the Province is to be retained by the Town. The disbursement of the 55% is not recorded in the financial statements for the Town and is disclosed below as a disbursement to other municipal partners.

	2009	2008
Gaming revenue:		
Deferred net gaming revenue, beginning of year	\$ 1,537,095	\$ 2,133,921
Amounts received during the year	4,615,323	4,922,764
Disbursements:		
Eligible expenses	(2,169,303)	(2,812,053)
Other municipal partners	(2,538,428)	(2,707,537)
	<u>1,444,687</u>	<u>1,537,095</u>
Federal Gas Tax Agreement Funds:		
Deferred gas tax agreement funds, beginning of year	370,959	293,207
Amounts received during the year	289,332	153,176
Interest earned	15,365	16,384
Eligible expenses	(226,637)	(91,808)
Deferred gas tax agreement funds, end of year	<u>449,019</u>	<u>370,959</u>
Deferred revenue - other	379,787	361,021
Deferred revenue - development cost charges	2,540,895	2,418,798
Total deferred revenue	<u>\$ 4,814,388</u>	<u>\$ 4,687,873</u>

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

5. Debt:

(a) Long-term debt outstanding:

	Gross debt	Sinking Fund assets	Net debt 2009	Net debt 2008
MFA Issue #95	\$ 1,493,000	\$ 688,063	\$ 804,937	\$ 987,201

(b) Debenture debt:

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

The Town issues its debt instruments through the MFA. Most debt is issued on a sinking fund basis, where the MFA invests the Town's sinking fund payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. Actuarial adjustments on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generated by the sinking fund assets.

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

	Total
2010	\$ 162,032
2011	162,032
2012	162,032
2013	162,032

(c) Maturities and interest rates:

Existing long-term debt matures in annual amounts to the year 2013 and debenture interest is payable at 4.07%.

(d) Interest expense:

Total interest expense during the year was \$60,765 (2008 - \$60,765).

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

5. Debt (continued):

(e) Capital lease liability:

The Town has financed a portion of the purchase of an aerial fire truck, by entering into a capital leasing arrangement with the MFA and which is recorded as capital lease. The Town will acquire ownership of the truck at the end of the lease. Repayments are due as shown:

Year ending December 31:		
2010	\$	35,710
Less amount representing interest at rates 3.25%		128
Present value of net minimum capital lease payments	\$	35,582

6. Employee future benefits:

Employee benefit obligations represent accrued benefits as at December 31, 2008. Accrued sick leave is the estimated liability for sick leave for all employees. Accrued vacation is the amount of unused vacation entitlement carried forward into the next year. Sick leave entitlements can only be used while employed by the Town and are not paid out upon retirement or termination of employment.

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

	2009	2008
Discount rates	4.50 %	4.50 %
Expected future inflation rates	3.00 %	3.00 %
Expected wage and salary increases	2.00 %	2.00 %

Municipal Pension Plan

The Town and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteesd 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 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local government.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

6. Employee future benefits (continued):

Municipal Pension Plan (continued):

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 Town paid \$125,577 (2008 - \$110,958) for employer contributions and Town employees paid \$121,626 (2008 - \$99,643) for employee contributions to the plan in fiscal 2009.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

7. Tangible capital assets:

	Land and improvements	Buildings and building improvements	Vehicles, machinery and equipment	Wastewater and storm drain infrastructure	Roads infrastructure	Assets under construction	Total 2009	Total 2008
Cost:								
Balance, beginning of year	\$34,665,252	9,276,560	4,660,154	29,169,903	36,638,391	-	\$114,410,260	\$112,500,211
Additions	292,432	68,943	394,554	162,404	324,525	592,843	1,835,701	2,539,691
Disposals	(298,400)	(335,366)	(38,831)	(42,177)	-	-	(714,774)	(629,642)
Balance, end of year	34,659,284	9,010,137	5,015,877	29,290,130	36,962,916	592,843	115,531,187	114,410,260
Accumulated amortization:								
Balance, beginning of year	1,517,658	2,552,928	2,805,646	4,068,488	10,734,105	-	21,678,825	19,836,969
Disposals	(6,281)	(71,820)	(30,276)	-	-	-	(108,377)	(90,525)
Amortization	55,123	220,882	320,688	321,892	1,012,411	-	1,930,996	1,932,381
Balance, end of year	1,566,500	2,701,990	3,096,058	4,390,380	11,746,516	-	23,501,444	21,678,825
Net book value, end of year	\$33,092,784	6,308,147	1,919,819	24,899,750	25,216,400	592,843	\$92,029,743	\$92,731,435

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

8. Accumulated surplus:

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

	2009	2008
Surplus:		
Equity in tangible capital assets	\$ 91,189,224	\$ 91,644,499
Unrestricted general fund surplus	965,397	698,301
Unrestricted sewer fund surplus	956,222	960,698
Total surplus	93,110,843	93,303,498
Reserve funds set aside for specific purposes by Council:		
Capital Works and Land Acquisition	90,620	102,747
Fire Department Equipment	74,792	198,229
Machinery and Equipment Depreciation	61,999	73,855
Municipal Roads Capital	5,053	4,852
Parks and Open Space	207,595	173,678
Parks and Recreation Equipment	96,423	80,254
Police Equipment, Property and Contract	565,202	549,036
Police Operation and Maintenance	336,846	328,374
Road Trust	103,825	140,357
Sewer System Capital	1,198,034	1,119,450
Sewer System Equipment Replacement	48,914	45,048
Tax Sale Land	7,809	7,499
West Shore reserves	177,758	212,051
Total reserve funds	2,974,870	3,035,430
	\$ 96,085,713	\$ 96,338,928

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

9. Net taxes available for municipal purposes:

The Town is required to collect taxes on behalf of and transfer these amounts to the government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	2009	2008
Taxes		
Property taxes	\$ 10,160,232	\$ 9,215,244
Revenues in lieu of taxes	191,475	182,817
1% utility taxes	103,774	98,411
	10,455,481	9,496,472
Less taxes levied for other authorities:		
School authorities	3,929,044	3,664,610
Capital Regional District	837,008	719,194
Capital Regional Hospital District	438,957	358,954
BC Transit	365,114	302,162
BC Assessment Authority	127,855	117,350
Municipal Finance Authority	376	311
	5,698,354	5,162,581
Net taxes available for municipal purposes	\$ 4,757,127	\$ 4,333,891

10. 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 Town.
- (b) The Town 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) There is a lawsuit pending in which the Town is named as co-defendant. It is considered that the potential claims against the Town resulting from such litigation not covered by insurance would not materially affect the consolidated financial statements.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

10. Commitments and contingencies (continued):

- (d) The Town is self-insured through membership in the Municipal Insurance Association 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 Association pay out claims in excess of premiums received, it is possible that the Town, along with the other participants, would be required to contribute towards the deficit.
- (e) Under borrowing arrangements with the MFA, the Town is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are included in the Town's financial assets as restricted cash and are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town. At December 31, 2009 there were contingent demand notes of \$96,469 (2008 - \$96,469) which are not included in the financial statements of the Town.

11. Budget data:

The unaudited budget data presented in these consolidated financial statements is based upon the 2009 operating and capital budgets approved by Council on May 13, 2009 (amended May 29, 2009). Amortization was not contemplated on development of the budget and, as such, has not been included. The chart following reconciles the approved budget to the budget figures reported in these consolidated financial statements.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

11. Budget data (continued):

	Budget amount
Revenues:	
Operating budget	\$ 24,636,310
West Shore	738,270
Less:	
Transfers from own funds	(2,041,028)
Collections for other governments	(7,993,955)
Total revenue	15,339,597
Expenses:	
Operating budget	24,636,310
West Shore	738,270
Less:	
Capital expenditures	(6,609,143)
Capital expenditures - West Shore	(101,890)
Transfer to own funds	(1,438,971)
Debt principal payments	(222,032)
Collections for other governments	(7,993,955)
Total expenses	9,008,589
Annual surplus	\$ 6,331,008

12. West Shore Parks and Recreation Society:

(a) Capital asset transfer:

The Capital Regional District (the "CRD") transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal partners (the "Municipalities") effective January 2, 2002: City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca Electoral Area).

The lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. Future improvements are allocated among the partners as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement. For 2009, the Town's share of improvements purchased by the Society on its behalf is \$71,778.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

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

(a) Capital asset transfer (continued):

Because the cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year, there is a gain or loss on the opening fund balances. In 2009, the Town recorded a loss of \$564,221 in Invested in tangible capital assets and a loss of \$16,123 in Reserve Funds.

The repayment of the long-term debt associated with the transferred assets will continue to be a regional function, in accordance with the terms of an Agreement to Transfer between the CRD, the Municipalities and the Society. The debt payments are charged to the Municipalities as part of the CRD's annual requisition. The maturity dates of the various borrowings range from 2012 through 2014.

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

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

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

(b) Consolidation:

Financial results and budget for the Society are consolidated into the Town's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2009, the Town's proportion for consolidation purposes was 14.109% (2008 - 15.270%). Condensed financial information for the Society is as follows:

	2009	2008
Financial assets	\$ 3,085,770	\$ 2,946,046
Financial liabilities	1,841,117	1,565,861
Net financial assets	1,244,653	1,380,185
Non-financial assets	758,343	745,387
Accumulated surplus	\$ 2,002,996	\$ 2,125,572
Revenues	\$ 5,501,066	\$ 4,815,341
Requisition for members	3,647,206	3,583,724
	9,148,272	8,399,065
Expenses	5,623,643	5,125,075
Requisition for members	3,647,206	3,583,724
	9,270,849	8,708,799
Annual deficit	\$ (122,577)	\$ (309,734)

13. Segmented information:

The Town is a diversified municipal organization that provides a wide range of services to its citizens. Town services are provided by departments and their activities reported separately. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General government

The general government operations provide the functions of corporate administration, finance, human resources and legislative services and any other functions categorized as non-departmental.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

13. Segmented information (continued):

Protective services

Protective Services includes the View Royal Fire Rescue which is a paid / composite fire department responsible to provide fire suppression service, fire inspections of public buildings, and training and education of volunteer firemen as well as the citizens of View Royal. In addition, it also includes policing provided by the RCMP, emergency planning, animal control and the maintenance and enforcement of building and construction bylaws as well as all other municipal bylaws.

Fire protection services are provided to the Songhees and Esquimalt First Nation communities under contract.

Transportation services

Transportation services is comprised of a wide variety of services such as the annual maintenance of all municipally owned roads and bridges, sidewalks, street signage, boulevards, bus shelters, street lighting and traffic signals.

Environmental health services

Environmental health services are comprised of the following services:

- Solid Waste Management – providing the service of solid waste collection and disposal to the citizens of View Royal.
- Liquid Waste Management (Sewer) Services – providing the removal of the municipality's waste water (sewage).
- Storm Drainage – design, inspection and maintenance of the storm drain collection systems.

Planning and development services

Environmental development services include all land use, planning and zoning issues in the Town of View Royal.

Recreation and cultural services

Recreation and culture is comprised of services meant to improve the health and development of the citizens of View Royal.

This segment includes maintenance and development of all parks and green space within the Town of View Royal as well as the Town's financial contribution to the services provided by the Greater Victoria Public Library and the West Shore Parks and Recreation Society.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

13. Segmented information (continued):

2009	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and cultural	Total
Revenue:							
Taxation	\$ 762,765	\$ 1,735,399	\$ 1,514,401	\$ -	\$ 258,982	\$ 485,580	\$ 4,757,127
User charges	-	360,842	70,987	906,497	71,462	-	1,409,788
Developer contributions	-	-	193,760	-	-	-	193,760
Donations	7,589	-	-	-	-	-	7,589
Developer charges earned	-	-	-	58,256	-	53,797	112,053
Other	5,938	51,206	-	-	-	767,566	824,710
Investment income	195,866	-	-	33,906	-	-	229,772
Penalties	94,913	-	-	-	-	-	94,913
Interest earned - sinking fund	-	-	20,219	-	-	-	20,219
Government transfers	779,246	61,685	1,477,333	102,707	105,667	983,068	3,509,706
Total revenue	1,846,317	2,209,132	3,276,700	1,101,366	436,111	2,290,011	11,159,637
Expenses:							
Salaries and wages	829,107	912,778	165,406	190,103	293,560	713,177	3,104,131
Contracted and general services	260,173	859,349	1,527,289	531,882	129,183	1,022,098	4,329,974
Supplies and utilities	86,867	89,731	106,461	38,755	1,646	147,311	470,771
Other	485,271	175,085	79,902	50,891	11,722	193,764	996,635
Amortization	96,368	166,666	1,247,076	210,185	-	210,702	1,930,997
Change in proportionate share of West Shore	-	-	-	-	-	580,344	580,344
Total expenses	1,757,786	2,203,609	3,126,134	1,021,816	436,111	2,867,396	11,412,852
Annual surplus (deficit)	\$ 88,531	\$ 5,523	\$ 150,566	\$ 79,550	\$ -	\$ (577,385)	\$ (253,215)

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2009

13. Segmented information (continued):

2008	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and cultural	Total
Revenue:							
Taxation	\$ 601,074	\$ 1,740,213	\$ 1,566,499	\$ -	\$ -	\$ 426,105	\$ 4,333,891
User charges	-	630,285	48,700	869,676	47,929	-	1,596,590
Developer contributions	-	-	-	-	137,183	-	137,183
Donations	3,000	-	-	-	-	-	3,000
Other	-	45,151	69,202	455	-	734,091	848,899
Investment income	144,367	37,446	29,912	103,164	15,166	-	330,055
Penalties	61,332	30,303	-	-	-	-	91,635
Interest earned - sinking fund	-	13,222	-	-	-	-	13,222
Government transfers	265,691	212,180	1,693,677	340,306	17,827	1,045,089	3,574,770
Total revenue	1,075,464	2,708,800	3,407,990	1,313,601	218,105	2,205,285	10,929,245
Expenses:							
Salaries and wages	771,655	782,456	138,413	165,975	268,903	675,966	2,803,368
Contracted and general services	212,430	928,351	1,254,348	439,650	87,789	988,369	3,910,937
Supplies and utilities	73,374	101,547	119,881	34,773	3,367	152,644	485,586
Other	505,693	184,288	73,493	46,535	15,079	163,014	988,102
Amortization	113,438	145,337	1,229,993	209,443	-	234,170	1,932,381
Change in proportionate share of West Shore	-	-	-	-	-	377,251	377,251
Total expenses	1,676,590	2,141,979	2,816,128	896,376	375,138	2,591,414	10,497,625
Annual surplus (deficit)	\$ (601,126)	\$ 566,821	\$ 591,862	\$ 417,225	\$ (157,033)	\$ (386,129)	\$ 431,620

Schedule of Payments for Goods and Services (Unaudited)

Year ended December 31, 2009

Supplier Name	Aggregate amount paid to supplier
CITY OF LANGFORD - IN TRUST	\$ 1,826,480
CAPITAL REGIONAL DISTRICT- ACCOUNTS	198,586
CITY OF LANGFORD	892,180
VICTORIA CONTRACTING & MUNICIPAL MTC CORP	795,636
RECEIVER GENERAL FOR CANADA - RCMP POLICING	593,509
WEST SHORE PARKS & REC. SOCIETY	575,156
PACIFIC INDUSTRIAL & MARINE LTD.	435,442
GREATER VICTORIA PUBLIC LIBRARY	360,585
NORTHRIDGE EXCAVATING LTD	324,529
CORPORATION OF THE TOWNSHIP OF ESQUIMALT	258,995
G & E EQUIPMENT RENTALS LTD	199,447
MCELHANNEY CONSULTING SERVICES LTD	190,315
WASTE MANAGEMENT OF CANADA CORP.	153,978
MAINROAD SOUTH ISLAND CONTRACTING LTD	149,382
ISLAND ASPHALT COMPANY	132,334
MUNICIPAL PENSION PLAN	125,577
EMERY ELECTRIC LTD	115,829
CITY SPACES CONSULTING LTD	105,998
RON'S DISPOSAL INC	104,007
BC HYDRO	103,681
FIVE STAR PAVING CO LTD	95,243
VICTORIA CORPORATION OF THE CITY	92,348
SPARKER CONSTRUCTION LTD	90,451
MUNICIPAL FINANCE AUTHORITY	83,667
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	82,732
650088 BC LTD	75,968
NOVUS CONSULTING INC	70,825
CAPITAL REGIONAL DISTRICT WATER DEPARTMENT	52,350
CAPITAL CITY PAVING LTD	69,296

Schedule of Payments for Goods and Services (Unaudited) - continued

Year ended December 31, 2009

Supplier Name	Aggregate amount paid to supplier
RCL CONSULTING LTD	66,145
CLL RENOVATIONS	60,184
ABSTRACT DEVELOPMENTS	53,354
RAYLEC POWER LTD	51,138
SCHO'S LINE PAINTING LTD	50,165
JENNER CHEVROLET BUICK GMC LTD	48,603
REGAL TANKS LTD	46,969
STANTEC CONSULTING LTD (SCL)	45,323
KANG & GILL CONSTRUCTION	43,545
RECEIVER GENERAL FOR CANADA-E DIVISION FSS	43,418
WESTLAND INSURANCE GROUP LTD	42,054
CRD BYLAW ENFORCEMENT & ANIMAL CONTROL	39,624
BULLDOG HOMES LTD	39,461
LIBERTY CONTRACT MANAGEMENT INC	38,126
TOWER FENCE PRODUCTS LTD	37,834
PHILLIPS TERRY R	35,355
SOUTH ISLAND POWER SWEEPING LTD	34,472
BLACK PRESS GROUP LTD	34,064
PENTILLION CONSTRUCTION	33,463
MCRAE'S ENVIRONMENTAL SERVICES LTD	33,404
KONICA MINOLTA BUSINESS SOLUTIONS (CANADA) LTD	33,077
CREST	33,067
ESRI CANADA LIMITED	32,832
TOMAHAWK TREE SERVICE (2001) LTD	31,763
MACNUTT ENTERPRISES LTD	31,172
DAVID J. GAWLEY	30,949
LANDO & COMPANY LLP	30,788
BUNT & ASSOCIATES	28,768
ADRIANS MASONRY	28,660
MONK OFFICE	27,540
MATTHEWS STORE FIXTURES & SHELVING	27,188
TELUS MOBILITY	27,020
BHANGU BAL	26,328

Schedule of Payments for Goods and Services (Unaudited) - continued

Year ended December 31, 2009

Supplier Name	Aggregate amount paid to supplier
CANSEL SURVEY EQUIPMENT INC.	26,018
RADIOWORKS	25,163
Total of aggregate payments exceeding \$25,000	9,671,557
Consolidated total of payments of \$25,000 or less	1,346,905
Total aggregate payments to suppliers	11,018,462

Grants in Aid Exceeding \$25,000

SHORELINE COMMUNITY MIDDLE SCHOOL	50,000
VIEW ROYAL FIREFIGHTERS ASSOCIATION	48,101
VIEW ROYAL READING CENTRE	38,500
Total aggregate grants in aid exceeding \$25,000	136,601
Total grants in aid of \$25,000 or less	82,803
Total aggregate grants in aid	219,404

Total Disbursements **11,237,867**
Per Note 13 to the financial statements - Segmented information **11,412,850**

	(174,983)
Amortization not a cash expense	1,930,997
Employee and council remuneration not included in payment to suppliers	2,221,064
Change in proportionate share of West Shore not a cash expense	580,344
West Shore expenses included in Note 13 not included in payment to suppliers	700,619
Capital project expenses not included in Note 13, included in payment to suppliers	(1,930,997)
Payments to City of Langford - In Trust not included in Note 13 - Casino Revenue Sharing Agreement	(1,826,480)
Payments to City of Langford not included in Note 13 - Casino Revenue Sharing Agreement	(692,299)
Debt payments on principal not included in Note 13	(226,198)

Variance **\$ 582,067**

The variance occurs for the following reasons:

- the financial statements are prepared on an accrual basis and this report is on a cash basis
- GST is included in payments to suppliers but is not included in the financial statement total

Prepared under the Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2

Statement of Remuneration and Expenses (Unaudited)

Year ended December 31, 2009

Elected Officials		Remuneration	Expenses	Total
Hill, Graham	Mayor	\$ 22,299	\$ 8,003	\$ 30,302
Britton, Andrew	Councillor	10,193	3,768	13,961
Rogers, John	Councillor	10,193	5,960	16,153
Screech, David	Councillor	10,193	6,145	16,338
Rast, Heidi	Councillor	10,193	4,868	15,061
		\$ 63,071	\$ 28,744	\$ 91,815
Employees		Remuneration	Expenses	Total
Brennan, Mark	Chief Administrative Officer	\$ 125,467	\$ 6,891	\$ 132,359
Hurst, Paul	Fire Chief	108,486	1,960	110,446
Jones, Sarah	Director of Corporate Administration	103,354	5,880	109,234
Becelaere, Deb	Superintendent Public Works and Engineering	102,627	305	102,932
Chase, Lindsay	Director of Development Services	100,959	3,056	104,015
McCusker, Emmet	Director of Engineering	89,887	7,603	97,490
Bevan, Heath	Firefighter	80,542	1,214	81,756
Marshall, Rob	Firefighter	78,607	1,828	80,435
Mollin, Troy	Firefighter	75,375	2,668	78,043
	Other Employees (under \$75,000)	1,194,653	80,808	1,275,461
		\$ 2,059,959	\$ 112,212	\$ 2,172,171
Reconciliation of Remuneration				
1. Elected Officials			\$	63,071
2. Employees				2,059,959
3. Receiver General for Canada (Employer portion CPP & EI)				98,034
4. West Shore Parks and Recreation Society - wages				484,541
5. Health and Pension Benefits				240,940
6. RCMP (West Shore Detachment) Civilian Staff Wages paid to City of Langford				157,586
Total per note 13 to the audited financial statements			\$	3,104,131

Prepared under the Financial Information Regulation, Schedule 1, section 6(2), (3), (4), (5) and (6)

Statement of Permissive Tax Exemptions (Unaudited)

Year ended December 31, 2009

Organization	Folio	Municipal Property Tax
Places of public worship		
All Saints Church - 287 Pallisier Ave	401-04412.018	\$ 3,873.43
St. Columbia Church - 40 High Street	401-07654.010	3,458.42
Community activity centres		
Strawberry Vale Community Hall - 11 High Street	401-07647.010	4,444.07
View Royal Community Hall - 292 Beaumont	401-04399.010	4,321.30
Not for profit organizations		
Island Corridor Foundation		
PID 023-005-459; Sections 6, 97, and 103: Plan VIP60330	401-18806.000	2,838.92
PID 011-825-871;014-980-258;024-036-021;024-039-209;024-839-957	401-18807.000	4,802.18
PID 024-635-987; Lot 1, Sections 8 & 27; Plan VIP69799	401-18807.002	140.23
		\$ 23,878.55

Statement of Development Cost Charges (DDC) (unaudited)

Year ended December 31, 2009

	Balance January 1	Transfer to Capital Projects	DCC's Received	Interest Earned	Balance December 31
Drainage DCC	\$ 589,287	\$ 58,976	\$ 15,834	\$ 24,407	\$ 570,553
Highways DCC	831,481		77,750	34,438	943,669
Park Improvement DCC	80,653	53,797	7,066	3,340	37,262
Park Land DCC	172,924		17,653	7,162	197,738
Sewer DCC	744,453		16,386	30,833	791,672
	<hr/>				
	\$ 2,418,798	\$ 112,773	\$ 134,688	\$ 100,181	\$ 2,540,895

Statistical Information (Unaudited)
Taxable Assessments of Land and Improvements

	2005	2006	2007	2008	2009
Residential	\$ 908,941,900	\$ 1,088,431,600	\$ 1,308,121,100	\$ 1,459,912,702	\$ 1,519,410,702
Utilities	491,110	459,035	423,315	317,800	317,800
Business	86,836,754	88,742,303	111,577,599	123,792,700	134,034,700
Rec/Non Profit	-	4,575,000	3,577,000	5,938,000	5,938,000
Farm	78,700	92,359	92,382	79,635	71,790
	\$ 996,348,464	\$ 1,182,300,297	\$ 1,423,791,396	\$ 1,590,040,837	\$ 1,659,772,992

Property Tax Rates 2005 to 2009 - Municipal (\$ per \$1,000 assessment)

	2005	2006	2007	2008	2009
Residential	2.4813	2.3614	2.14086	2.03648	2.16151
Utilities	26.4757	31.6425	28.68758	26.95688	28.61845
Business	9.4948	10.0359	8.56346	8.14592	8.64606
Rec/Non Profit	-	10.0359	8.56346	8.14592	8.64606
Farm	36.3513	34.5942	31.36367	14.25536	18.05945

Municipal Property Tax Billings by Property Class 2005 to 2009

	2005	2006	2007	2008	2009
Residential	\$ 2,255,376	\$ 2,570,205	\$ 2,800,510	\$ 2,973,083	\$ 3,284,221
Utilities	13,002	14,525	12,144	8,567	9,095
Business	824,495	890,607	955,490	1,008,405	1,158,872
Rec/Non Profit	-	45,914	30,631	48,370	51,340
Farm	2,861	3,195	2,897	1,135	1,296
	\$ 3,095,734	\$ 3,524,447	\$ 3,801,673	\$ 4,039,561	\$ 4,504,825

Statistical Information (Unaudited) continued
Long Term Debt and Capital Lease Obligations

	2009	2008	2007	2006	2005
Long-term debt					
General - transportation services	\$ 804,937	\$ 987,201	\$ 1,162,455	\$ 1,330,968	\$ 1,493,000
Consolidated entity debt	-	-	-	149,418	-
	804,937	987,201	1,162,455	1,480,386	1,493,000
Capital lease obligation					
General - protective services	35,841	101,067	159,740	214,534	268,956
Total Long Term Debt and Capital Lease Obligations	840,778	1,088,268	1,322,195	1,694,920	1,761,956
Population	9,461	9,393	9,117	8,768	8,366
Debt per capita	\$ 89	\$ 116	\$ 145	\$ 193	\$ 211

Statement of Gaurantee and Indemnity Agreements (unaudited)

Year ended December 31, 2009

The Town of View Royal has not provided any guarantees or indemnities under the Gaurantee and Indemnities Regulation.

Statement of Severance Agreements

Year ended December 31, 2009

There was one severance agreement under which payment commenced between the Town of View Royal and a non-unionized employee during the fiscal year 2009.

This agreement represented 47.9 days of salary plus 15% in lieu of benefits and pension contributions.

Strategic Community Investment Funds Plan and Progress Report

(1) SCI Funds received or anticipated

Strategic Community Investment Funds	Use	Date	Amount
SC Grants	local government services	March 2009	\$ 530,472
		July 2009	\$ 190,212
		July 2010	\$ 114,430
TFRS Grants	Defray the cost of local police enforcement	March 2009	\$ 77,988
		July 2009	\$ 37,610
		July 2010	\$ 29,041

(2) SCI Funds intended use, performance targets and progress made:

Small Community or Regional District Portion of the SCI Funds

Intended Use	Performance Targets	Progress made in first reporting period
Use funding to support local government services to avoid tax rate increases.	Use 50% to Minimize tax rate increases in 2009 and set the remainder aside to minimize tax rate increases in 2010.	<p>Moderate tax rate increases were needed due to increases in service levels to Protective Services, and to meet financial sustainability targets in Councils Revenue Policy.</p> <p>Without the SC Grant, the tax increase would have been an additional 9% or an equivalent decrease in service levels.</p>

Traffic Fine Revenue Sharing Portion of the SCI Funds

Intended Use	Performance Targets	Progress made to first reporting period
Funding used to support police enforcement.	100% of Funds used to support integrated police units in the Greater Victoria Region.	<p>54% of the funds maintained</p> <ul style="list-style-type: none"> ○ View Royals participation in the Greater Victoria Integrated Regional Crime Unit, and ○ Community policing in View Royal. <p>The remaining 46% has been set aside to maintain these activities during the 2010 year.</p>

(3) Report Date: June 30, 2010