



Town of View Royal 2011 Annual Report

“liveable, green and sustainable”





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



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

Staff:

Chief Administrative Officer:	Kim Anema
Director of Corporate Administration:	Sarah Jones
Director of Finance:	Kathleen Day
Director of Development Services:	Lindsay Chase
Director of Engineering:	Emmet McCusker
Fire Chief:	Paul Hurst

2011 Annual Report

June 2011

Welcome!

This calendar is the Town of View Royal's 2011 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 2010; progress on 2010 municipal objectives, municipal goals and objectives for 2011-2012; and 2010 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

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

2011 Annual Report

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.

2011 Annual Report



July 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1 Canada Day—Town Hall Closed	2
3	4 Last day to pay 2011 property taxes	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	23
24	25	26	27	28	29	30
31						

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Community Profile:

Since the Town's incorporation there has been significant growth and development in View Royal though much of its small town character remains.

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, the District of Saanich, and the City of Colwood.

2011 Annual Report

August 2011



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 BC Day—Town Hall Closed	2	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 and is reviewed and updated annually. 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

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 community Energy and Emissions Plan by spring 2010	Completion status of Plan	Well underway, anticipated completion Fall 2011.
Develop a long-term infrastructure maintenance plan by year end 2010	Development status of Plan	Deferred to 2011/2012.
Develop a Sustainability Checklist for use in Development Application Reviews by December 2010	Development status of checklist	Beta testing of checklist with development applications to start shortly.
Adopt stormwater bylaw by September 2010	Status of Bylaw	To be completed by year end 2011
Complete a review of subdivision servicing standards by mid-year 2011	Status of review of subdivision servicing standards	Budget reduced in 2011 with completion over 2011-2012.

2011 Annual Report

September 2011



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

Municipal Goals and Objectives for 2009-2011

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
- 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
Identify and select priorities from Parks Plan by December 2010 (workshop spring/summer 2010)	Identification and selection of priorities	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	Requires workshop with Council to determine Capital Plan list.
Complete site plan for View Royal Park by end of March 2010	Completion status of Plan for View Royal Park	Complete
Adopt Official Community Plan update by September 2010	Status of OCP adoption process	Public Hearing tentatively scheduled for September 2011
Revise Transportation Plan and Sidewalks Plan based on approved OCP by year end 2010	Revision status of Transportation and Sidewalk Plans	Pedestrian and cycling plan updated to be completed by year end 2011.
Develop and adopt an urban forest strategy (inventory, replanting and protection) by year end 2010	Development status of urban forest strategy	Ongoing
Complete Official Community Plan – Related Land Use Bylaw update by summer 2011	Completion status of Plan with related LUB updates	Awaiting adoption of Official Community Plan to initiate project.
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	Heritage Register created; did not receive funds in 2011 budget to create a Heritage Plan.

2011 Annual Report



October 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4 Council meeting 7 pm	5	6	7	8
9	10 Thanksgiving Day— Town Hall Closed	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	26	27	28	29
30	31					

Safe and Protected Community

Strategy	Measure	Outcome
Move forward on Fire Hall replacement – location determined , design complete and voter approval for funding sought in 2010	Status of Fire Hall replacement Plan	Completed
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
Adopt Fire Department Operational Plan by spring 2010	Status completion of Plan	Completed

2011 Annual Report

November 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 Local Gov't Elec- tions—Advance Voting @ View Royal Town Hall, 8 am—8 pm	10	11 Remembrance Day—Town Hall Closed	12
13	14	15 Council meeting 7 pm	16 Local Gov't Elections—Advance Voting @ View Royal Town Hall, 8 am—8 pm	17	18	19 Local Gov't Elections—General Voting @ View Royal Elementary School - 218 Helmcken Road
20	21	22	23	24	25	26
27	28	29	30			

Municipal Goals and Objectives for 2009-2011

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 and contingent on funding, complete larger project by 2011)	Completion status of project	Plantings completed, between TCH and Watkiss Way; one island constructed, between Burnside Road and Camden Road in 2011, remainder awaits funding or development.
Develop sidewalk and trail implementation plan and priorities by year end 2010	Development status of plan and priorities	Will be completed as part of Pedestrian and Cycling Plan update.
Update parking standards and bike facility requirements in Land Use Bylaw by spring 2010	Status of updates	Will be completed following the Official Community Plan, contingent on 2012 budget.
Complete Island Highway Improvement Project by spring 2011	Completion status of project	Completion by 2011.
Complete sidewalk and cycling lane projects (Colwood border to Parson's Bridge) by year end 2010	Completion status of projects	Completion by 2011.
Complete Helmcken Road project north of TCH – contingent on funding, complete larger project by 2011	Completion status of project	Removed from Capital Plan pending Council workshop.
Implement traffic calming and pedestrian measures on Watkiss Way, contingent on funding in 2011	Implementation status	Deferred pending Council workshop.
Develop E&N Rail Trail Connectors in 2010 and 2011 (Burnett Road in 2010)	Development status of project	E&N Trail connection between Four Mile Pub and Town Hall to be completed in 2011. Other connections to be completed when Trail is built.

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December 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6 Inaugural Council meeting 7 pm	7	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	21	22	23	24
25 Christmas	26 Boxing Day—Town Hall Closed	27 Town Hall Closed	28 Town Hall Closed	29 Town Hall Closed	30 Town Hall Closed	31

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
Launch new Town website in 2009 <ul style="list-style-type: none"> e-commerce capability in 2010 	Status of: Town website E-commerce 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	Ongoing
Implement Geographical Information System in 2010	Implementation status of GIS	Ongoing; initiated from December 2010 Strategic Plan discussion
Complete upgrade of Records Management System by year end 2011	Completion status of upgrade	Ongoing
Complete Business Continuity Plan by December 2010, contingent on budget	Completion status of Plan	Deferred, contingent on budget

2011 Annual Report

January 2012



Sun	Mon	Tue	Wed	Thu	Fri	Sat
1 New Year's Day	2 Town Hall Closed	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	24	25	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)
- Stormwater management
- Garbage/household food waste collection
- Sanitary sewer collection system
- Parks, recreation and cultural 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

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 direct 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; Town is a part owner of the Downtown Branch)
- 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

2011 Annual Report



February 2012

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			

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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

2011 Annual Report



March 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6 Council meeting 7 pm	7	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	28	29	30	31

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2010 Municipal Highlights:

- Council approved the keeping of chickens and bees in certain residential zones.
- Continued review of the Official Community Plan
- Work began on the Island Highway project.
- A Community Heritage Register was created.
- View Royal to be included in the list of local government jurisdictions that will be Solar Hot Water Ready.
- New website launched
- Tree Protection Bylaw updated
- Land secured purchased for future fire rescue facility
- Hiring of a new Chief Administrative Officer and a part-time Archivist to assist existing volunteers in preserving the Town's history
- Construction value of building permits issued in 2010 totaled \$51,982,389.00
- 240 business licenses issued in 2010 (133 home-based businesses, 107 non home-based businesses)
- Hart Road Park Land Acquisition of 210.7 m²



2011 Annual Report

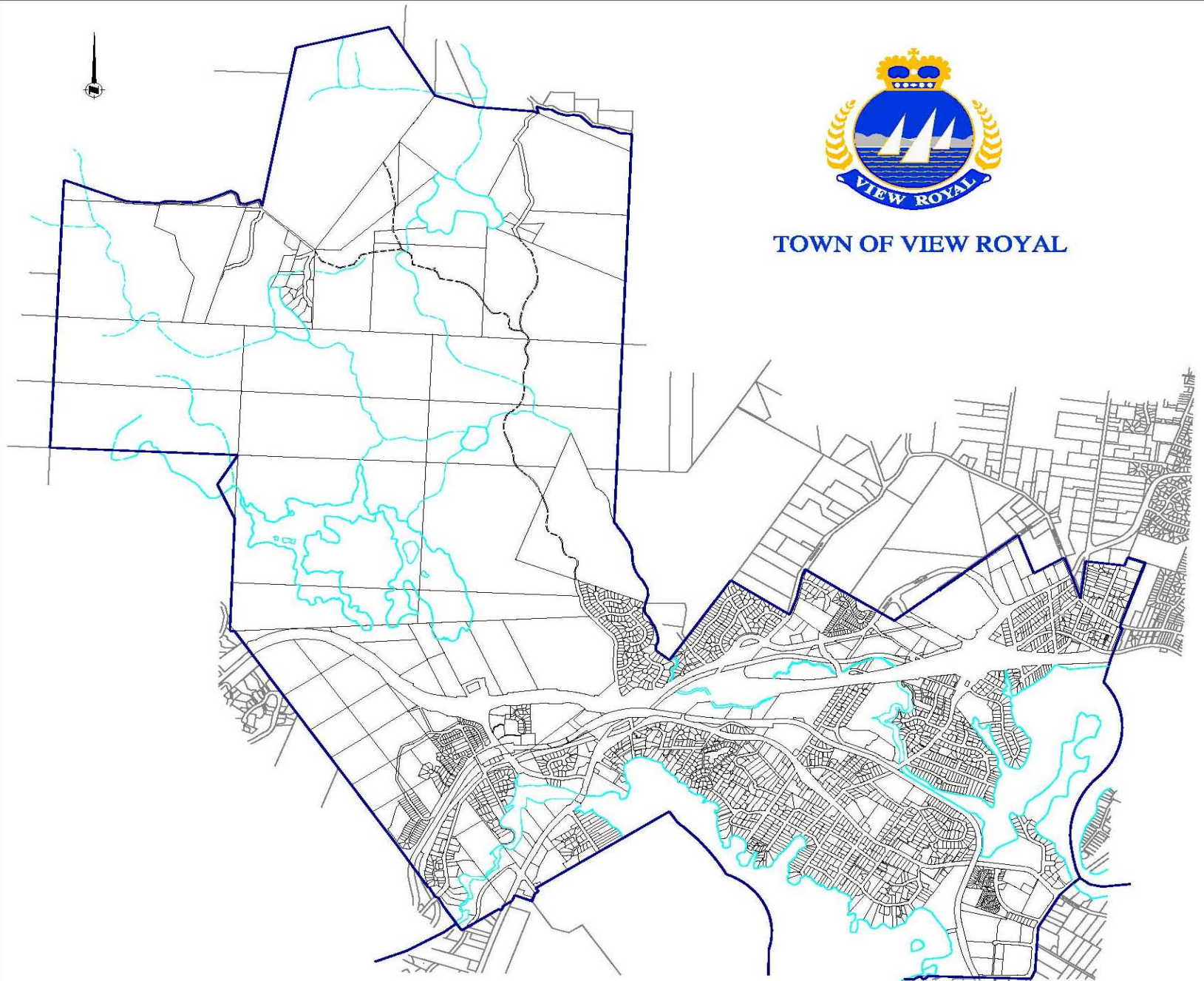


April 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3 Council meeting 7 pm	4	5	6 Good Friday—Town Hall Closed	7
8	9 Easter Monday— Town Hall Closed	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	24	25	26	27	28
29	30					



TOWN OF VIEW ROYAL



2011 Annual Report

May 2012

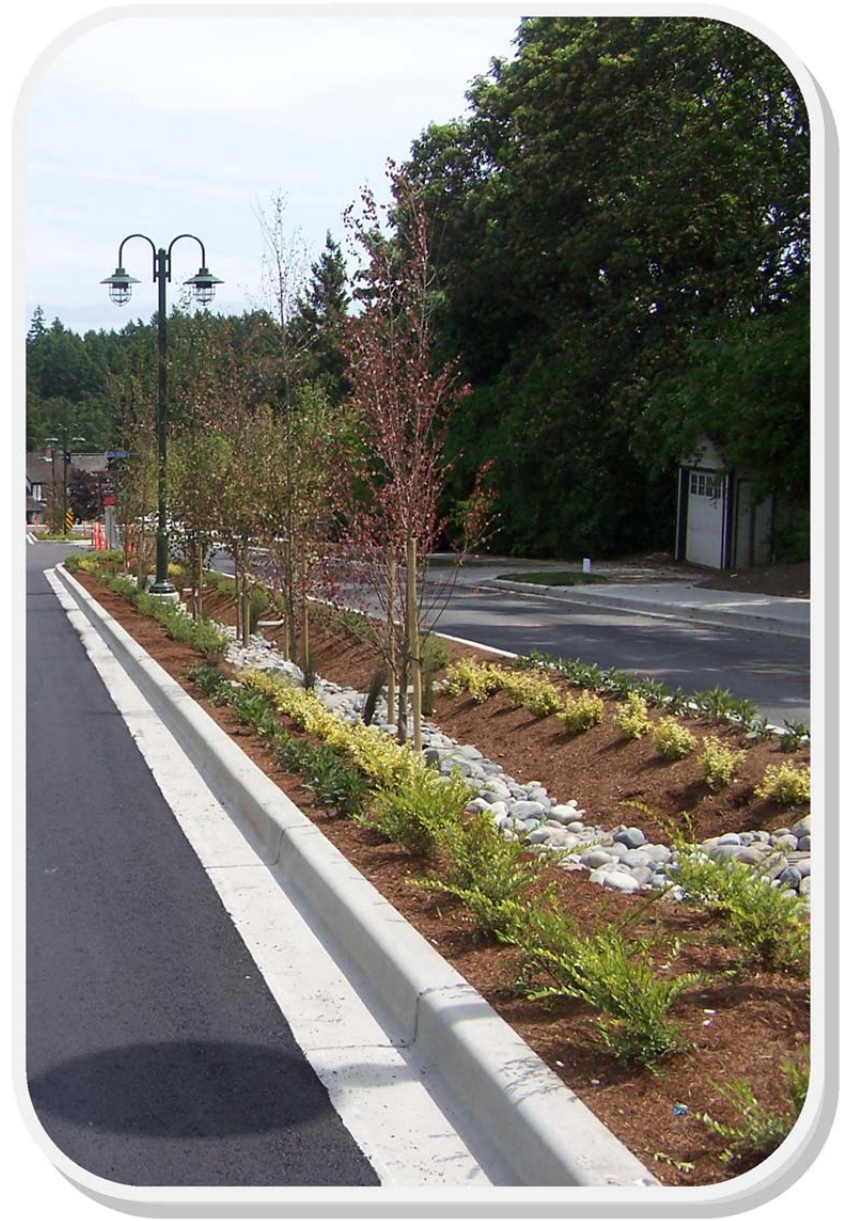


Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1 Council meeting 7 pm	2	3	4	5
6	7	8 Committee of the Whole meeting 3:30 pm, evening session 7 pm	9	10	11	12
13	14	15 Council meeting 7 pm	16	17	18	19
20	21 Victoria Day—Town Hall Closed	22	23	24	25	26
27	28	29	30	31		

Town of View Royal

Financial Information

**Fiscal year ended
December 31, 2010**



Financial Information

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Statement of Financial Information Approval

For the year ended December 31, 2010

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
June 21, 2011

Graham Hill
Mayor
June 21, 2011

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

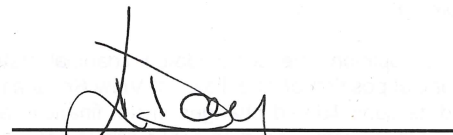
The accompanying consolidated financial statements of the Town of View Royal (the "Town") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting principles for local governments established by The Canadian Institute 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 Independent 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
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Victoria BC V8W 3Y7
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Telephone (250) 480-3500
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of Town of View Royal

We have audited the accompanying consolidated financial statements of The Town of View Royal which comprise the consolidated statement of financial position as at December 31, 2010, the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Town of View Royal as at December 31, 2010, and its consolidated results of operations, and its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 3, 2011
Victoria, Canada

TOWN OF VIEW ROYAL

Consolidated Statement of Financial Position

December 31, 2010, with comparative figures for 2009

	2010	2009
		(Restated - note 2)
Financial assets:		
Cash and cash equivalents (note 3)	\$ 7,177,574	\$ 10,288,783
Taxes receivable	276,409	504,563
Accounts receivable	2,116,246	1,475,268
Government grant receivable (note 4)	4,460,092	300,648
	<u>14,030,321</u>	<u>12,569,262</u>
Financial liabilities:		
Accounts payable and accrued liabilities	2,860,906	2,089,243
Deposits	651,175	608,751
Deferred revenue (note 5)	5,336,743	4,814,388
Prepaid property taxes	173,532	92,006
Long-term debt (note 6)	701,482	804,937
Obligations under capital leases	-	35,582
Employee future benefit obligations (note 7)	131,200	106,549
	<u>9,855,038</u>	<u>8,551,456</u>
Net financial assets	4,175,283	4,017,806
Non-financial assets:		
Tangible capital assets (note 8)	98,380,787	92,446,043
Inventory of supplies	9,295	814
Prepaid expenses	22,250	37,350
	<u>98,412,332</u>	<u>92,484,207</u>
Accumulated surplus (note 9)	\$ 102,587,615	\$ 96,502,013

Commitments and contingencies (note 11)

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, 2010, with comparative figures for 2009

	Budget	2010	2009
	(unaudited - note 12)		(Restated - note 2)
Revenue:			
Taxation, net (note 10)	\$ 5,211,151	\$ 5,213,558	\$ 4,757,127
User charges	1,538,575	1,760,451	1,409,788
Government transfers:			
Provincial	3,024,504	2,441,218	3,026,307
Federal	11,499,028	4,169,446	473,379
Municipal	-	-	10,020
Investment income	70,000	152,405	229,772
Interest on sinking fund assets	-	27,523	20,219
Penalties and fines	94,000	57,457	94,913
Development charges earned	248,705	223,254	112,053
Developer contributions	-	2,100,204	193,760
Contributions and donations	3,000	-	7,589
Other revenue from own sources	1,030,247	874,643	824,710
Total revenue	22,719,210	17,020,159	11,159,637
Expenses:			
General government	1,824,211	1,774,198	1,757,786
Protective services	2,591,646	2,679,337	2,203,609
Transportation services	2,765,644	2,643,494	3,126,134
Environmental health services	1,388,118	1,201,768	1,021,816
Planning and development	518,749	425,664	436,111
Recreation and cultural	2,669,513	2,210,096	2,867,396
Total expenses	11,757,881	10,934,557	11,412,852
Annual surplus (deficit)	10,961,329	6,085,602	(253,215)
Accumulated surplus, beginning of year	96,502,013	96,502,013	96,755,228
Accumulated surplus, end of year	\$ 107,463,342	\$ 102,587,615	\$ 96,502,013

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, 2010, with comparative figures for 2009

	Budget (unaudited - note 12)	2010	2009
Annual surplus (deficit)	\$ 10,961,329	\$ 6,085,602	\$ (253,215)
Acquisition of tangible capital assets	(13,525,699)	(5,938,672)	(1,823,304)
Developer contributions of tangible capital assets	-	(1,857,279)	(12,398)
Amortization of tangible capital assets	1,825,000	1,918,560	1,930,997
Loss on disposal and write-down of tangible capital assets	-	62,051	38,676
Proceeds on disposal of tangible capital assets	-	-	3,500
Change in proportionate share of West Shore	-	(119,404)	564,221
	(11,700,699)	(5,934,744)	701,692
Acquisition and consumption of inventory of supplies	-	(8,481)	(814)
Acquisition and consumption of prepaid expenses	-	15,100	79,606
Change in net financial assets	(739,370)	157,477	527,269
Net financial assets, beginning of year	4,017,806	4,017,806	3,490,537
Net financial assets, end of year	\$ 3,278,436	\$ 4,175,283	\$ 4,017,806

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, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 6,085,602	\$ (253,215)
Items not involving cash:		
Amortization of tangible capital assets	1,918,560	1,930,997
Loss on disposal and write-down of tangible capital assets	62,051	38,676
Developer contributions of tangible capital assets	(1,857,279)	(12,398)
Change in employee benefits and other liabilities	24,651	15,579
Change in proportionate share of West Shore	(119,404)	564,221
Actuarial adjustment on debt	(27,523)	(20,219)
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(640,978)	345,333
Taxes receivable	228,154	(13,162)
Government grant receivable	(4,159,444)	(246,743)
Accounts payable and accrued liabilities	771,663	(610,369)
Deposits	42,424	(106,325)
Deferred revenue	522,355	126,515
Prepaid property taxes	81,526	29,897
Inventory of supplies	(8,481)	(814)
Prepaid expenses	15,100	79,606
	2,938,977	1,867,579
Capital activities:		
Acquisition of tangible capital assets	(5,938,672)	(1,823,304)
Proceeds on disposal of tangible capital assets	-	3,500
	(5,938,672)	(1,819,804)
Financing activities:		
Debt issued	86,100	-
Capital lease payments	(35,582)	(64,153)
Debt repaid	(162,032)	(162,045)
	(111,514)	(226,198)
Decrease in cash and cash equivalents	(3,111,209)	(178,423)
Cash and cash equivalents, beginning of year	10,288,783	10,467,206
Cash and cash equivalents, end of year	\$ 7,177,574	\$ 10,288,783
Supplemental cash flow information:		
Cash paid for interest	\$ 60,765	\$ 60,765
Cash received from interest	161,853	245,137

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, 2010

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 public sector 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 consolidated financial statements of the Town include 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 other than the disbursement of casino revenues to other municipal partners as described in note 5.

(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, 2010

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) Cash and cash equivalents:

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

(g) Employee future benefits:

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.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

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

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

(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, 2010

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 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 these estimates.

2. Restatement:

During the year, it was determined that in 2008 developer contributed assets were not accounted for in the adoption of PSAB Section 3150, Tangible Capital Assets, in 2009. The value of the assets at the time of donation were estimated at \$416,300. This amount has been recorded as an increase to tangible capital assets and opening accumulated surplus in 2009. The adjustment has no impact on the annual surplus, change in net financial assets or cash flows in 2009.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

3. Cash and cash equivalents:

	2010	2009
Bank deposits	\$ 2,330,377	\$ 581,758
Municipal Finance Authority - Money Market	174,124	4,347,481
Municipal Finance Authority - Intermediate	554,403	663,816
Municipal Finance Authority - Short Term Bond	4,100,409	4,678,042
Restricted cash	18,261	17,686
	<hr/>	<hr/>
	\$ 7,177,574	\$ 10,288,783

4. Government grant receivable:

Government grant receivable represents the expenditures paid for by the Town towards upgrades on the Island Highway which are reimbursable based on an agreement between the Union of British Columbia Municipalities and the Town. The agreement allows for reimbursement of 100% of the eligible expenditures incurred between March 12, 2008 and June 30, 2011 up to a total cost of \$7,392,364.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

5. 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 and applied to specific purposes. 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.

	2010	2009
Gaming revenue:		
Deferred net gaming revenue, beginning of year	\$ 1,444,687	\$ 1,537,095
Amounts received during the year	4,489,941	4,615,323
Disbursements:		
Eligible expenditures	(1,973,138)	(2,169,303)
Other municipal partners	(2,469,467)	(2,538,428)
Deferred net gaming revenue, end of year	1,492,023	1,444,687
Federal Gas Tax Agreement Funds:		
Deferred gas tax agreement funds, beginning of year	449,019	370,959
Amounts received during the year	285,663	289,332
Interest earned	9,448	15,365
Eligible expenses	(71,052)	(226,637)
Deferred gas tax agreement funds, end of year	673,078	449,019
Deferred revenue - other	281,780	379,787
Deferred revenue - development cost charges	2,889,862	2,540,895
Total deferred revenue	\$ 5,336,743	\$ 4,814,388

6. Long-term debt:

(a) Included in long-term debt is the Town's proportionate share of a West Shore five year fixed rate term loan for \$86,100.

(b) MFA debt outstanding:

	Gross debt	Sinking Fund assets	Net debt 2010	Net debt 2009
MFA Issue #95	\$ 1,493,000	\$ 877,618	\$ 615,382	\$ 804,937

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

6. Long-term debt (continued):

(c) 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
2011	\$ 162,032
2012	162,032
2013	162,032

(d) Maturities and interest rates:

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

(e) Interest expense:

Total interest expense during the year was \$60,765 (2009 - \$60,765).

7. Employee future benefits:

Employee benefit obligations represent accrued benefits as at December 31, 2010. 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.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

7. Employee future benefits (continued):

Municipal Pension Plan

The Town 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 Town paid \$131,500 (2009 - \$125,577) for employer contributions and Town employees paid \$127,077 (2009 - \$121,626) for employee contributions to the plan in fiscal 2010.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

8. Tangible capital assets:

	Land and improvements	Buildings and building improvements	Vehicles, machinery and equipment	Drainage and sewer infrastructure	Roads infrastructure	Assets under construction	Total 2010	Total 2009
Cost:								
Balance, beginning of year	\$34,659,284	9,010,137	5,021,042	29,701,265	36,861,956	693,803	\$115,947,487	\$114,826,560
Additions	1,591,841	515,104	357,830	179,198	773,213	4,620,767	8,037,953	1,835,701
Disposals	-	-	(625,160)	(52,918)	(22,303)	(122,598)	(822,979)	(714,774)
Balance, end of year	36,251,125	9,525,241	4,753,712	29,827,545	37,612,866	5,191,972	123,162,461	115,947,487
Accumulated amortization:								
Balance, beginning of year	1,566,500	2,701,990	3,101,223	4,385,215	11,746,516	-	23,501,444	21,678,825
Disposals	-	-	(624,694)	(4,269)	(9,367)	-	(638,330)	(108,377)
Amortization	42,677	258,142	302,383	324,830	990,528	-	1,918,560	1,930,996
Balance, end of year	1,609,177	2,960,132	2,778,912	4,705,776	12,727,677	-	24,781,674	23,501,444
Net book value, end of year	\$34,641,948	6,565,109	1,974,800	25,121,769	24,885,189	5,191,972	\$98,380,787	\$92,446,043

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

8. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction totaling \$5,191,972 (2009 - \$693,803) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$1,857,279 (2009 - \$12,398) comprised of land (\$1,353,528), sewer and storm infrastructure (\$81,800) and roads infrastructure (\$421,951).

(c) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset has been recognized at a nominal value.

(d) Works of art and historical treasures:

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

(e) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$62,051 (2009 - nil).

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

9. Accumulated surplus:

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

	2010	2009
		(Restated - note 2)
Surplus:		
Equity in tangible capital assets	\$ 97,679,305	\$ 91,605,524
Unrestricted general fund surplus	570,530	965,397
Unrestricted sewer fund surplus	1,080,141	956,222
Total surplus	99,329,976	93,527,143
Reserve funds set aside for specific purposes by Council:		
Capital Works and Land Acquisition	136,854	90,620
Fire Department Equipment	131,241	74,792
Machinery and Equipment Depreciation	21,677	61,999
Municipal Roads Capital	8,959	5,053
Parks and Open Space	245,932	207,595
Parks and Recreation Equipment	144,761	96,423
Police Equipment, Property and Contract	578,723	565,202
Police Operation and Maintenance	243,712	336,846
Road Trust	300,941	103,825
Sewer System Capital	1,102,357	1,198,034
Sewer System Equipment Replacement	51,911	48,914
Tax Sale Land	7,968	7,809
West Shore reserves	282,603	177,758
Total reserve funds	3,257,639	2,974,870
	\$102,587,615	\$ 96,502,013

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

10. 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.

	2010	2009
Taxes		
Property taxes	\$ 11,028,978	\$ 10,160,232
Revenues in lieu of taxes	167,651	191,475
1% utility taxes	108,720	103,774
	11,305,349	10,455,481
Less taxes levied for other authorities:		
School authorities	4,129,580	3,929,044
Capital Regional District	826,113	837,008
Capital Regional Hospital District	580,830	438,957
BC Transit	416,768	365,114
BC Assessment Authority	138,103	127,855
Municipal Finance Authority	397	376
	6,091,791	5,698,354
Net taxes available for municipal purposes	\$ 5,213,558	\$ 4,757,127

11. Commitments and contingencies:

- (a) The Capital Regional District ("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.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

11. Commitments and contingencies (continued):

- (c) The Town is a defendant in various lawsuits. The Town records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. 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.

A lawsuit has been initiated against the Town alleging significant financial losses by the claimant as a result of alleged fraudulent misrepresentation by representatives of the Town. The Town has denied these claims and represented by insurers is vigorously defending the lawsuit.

- (d) 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, 2010 there were contingent demand notes of \$96,469 (2009 - \$96,469) which are not included in the financial statements of the Town.
- (e) The Town entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services. Under the terms of this contract, the City is responsible for 70% of policing costs. The 2011 estimated cost of this contract is \$860,000.

12. Budget data:

The unaudited budget data presented in these consolidated financial statements is based upon the 2010 operating and capital budgets approved by Council on April 20, 2010, adjusted to reflect West Shore proportionately consolidated budgeted revenues and expenses. The chart below 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, 2010

12. Budget data (continued):

	Budget amount
Revenues:	
Operating budget	\$ 21,808,863
West Shore	910,347
Total revenue	22,719,210
Expenses:	
Operating budget	10,610,368
West Shore	1,147,513
Total expenses	11,757,881
Annual surplus	\$ 10,961,329

13. West Shore Parks and Recreation Society:

(a) Capital asset transfer:

The lands and facilities comprising the Juan de Fuca Recreation Centre are owned by the member municipalities (the "Municipalities") in their proportionate share, as specified in the Co-Owners' Agreement. The Town became party to the agreement effective January 1, 2007. 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 2010, the Town's share of improvements purchased by the Society on its behalf is \$542,859 (2009 - \$71,778).

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 2010, the Town recorded a gain of \$119,404 (2009 - a loss of \$564,221).

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 participating 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, 2010

13. 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 2010, the Town's proportion for consolidation purposes was 14.350% (2009 - 14.109%). Condensed financial information for the Society is as follows:

	2010	2009
Financial assets	\$ 2,809,521	\$ 3,085,770
Financial liabilities	2,205,113	1,841,117
Net financial assets	604,408	1,244,653
Non-financial assets	795,491	758,343
Accumulated surplus	\$ 1,399,899	\$ 2,002,996
Revenues	\$ 7,051,888	\$ 5,501,066
Requisition for members	4,163,307	3,647,206
	11,215,195	9,148,272
Expenses	7,654,985	5,623,643
Requisition for members	4,163,307	3,647,206
	11,818,292	9,270,849
Annual deficit	\$ (603,097)	\$ (122,577)

14. 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, 2010

14. 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 Town'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, 2010

14. Segmented information (continued):

	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and cultural	Total
2010							
Revenue:							
Taxation	\$ 755,362	\$ 1,834,270	\$ 1,824,319	\$ -	\$ 294,804	\$ 504,803	\$ 5,213,558
User charges	23,791	642,642	28,782	1,000,049	65,187	-	1,760,451
Developer contributions	107,193	-	451,776	498,100	-	1,043,135	2,100,204
Developer charges earned	-	-	197,487	5,575	-	20,192	223,254
Other	823,437	51,206	-	-	-	-	874,643
Investment income	79,497	19,912	5,330	41,469	-	6,197	152,405
Penalties	57,457	-	-	-	-	-	57,457
Interest earned - sinking fund	-	-	27,523	-	-	-	27,523
Government transfers	584,560	58,155	4,836,528	97,174	64,357	969,890	6,610,664
Total revenue	2,431,297	2,606,185	7,371,745	1,642,367	424,348	2,544,217	17,020,159
Expenses:							
Salaries and wages	804,691	1,052,787	166,717	179,755	321,650	1,354,466	3,880,066
Contracted and general services	252,201	1,167,487	1,202,480	555,855	12,951	668,442	3,859,416
Supplies and utilities	81,026	96,590	127,658	26,227	724	82,180	414,405
Other	481,167	186,969	86,385	61,299	89,023	13,278	918,121
Amortization	155,113	172,876	999,489	378,632	1,316	211,134	1,918,560
Change in proportionate share of West Shore	-	-	-	-	-	(119,404)	(119,404)
Debt services	-	2,628	60,765	-	-	-	63,393
Total expenses	1,774,198	2,679,337	2,643,494	1,201,768	425,664	2,210,096	10,934,557
Annual surplus (deficit)	\$ 657,099	\$ (73,152)	\$ 4,728,251	\$ 440,599	\$ (1,316)	\$ 334,121	\$ 10,085,602

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2010

14. Segmented information (continued):

	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and cultural	Total
2009							
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, 2010

15. Comparative figures:

Certain 2009 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Schedule of Payments for Goods and Services (Unaudited)

Year ended December 31, 2010

Supplier Name	Aggregated amount paid to supplier
DON MANN EXCAVATING LTD	\$ 2,430,189
CITY OF LANGFORD - IN TRUST - casino revenue sharing agreement	1,795,976
VICTORIA CONTRACTING & MUNICIPAL MTC CORP	934,519
RECEIVER GENERAL FOR CANADA - RCMP POLICING	864,672
BC HYDRO	818,488
MCELHANNEY CONSULTING SERVICES LTD	743,928
CITY OF LANGFORD - casino revenue sharing agreement	673,491
WEST SHORE PARKS & REC. SOCIETY	614,654
GREATER VICTORIA PUBLIC LIBRARY	379,526
CAPITAL REGIONAL DISTRICT- ACCOUNTS	363,777
FIVE STAR PAVING CO LTD	229,515
WASTE MANAGEMENT OF CANADA CORP.	224,881
Telus	188,286
0878503 BC Ltd	150,470
CORPORATION OF THE TOWNSHIP OF ESQUIMALT	138,075
MUNICIPAL PENSION CORPORATION	131,500
G & E EQUIPMENT RENTALS LTD	122,274
Clyde Snobelen Landscaping Ltd.	110,518
RAYLEC POWER LTD	106,726
CITY OF LANGFORD	79,461
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	72,258
Aggressive Excavating Ltd.	71,119
MAINROAD SOUTH ISLAND CONTRACTING LTD	70,281
HARRY G. ARKINSTALL	70,000
CitySpaces Consulting LTD	69,592
BUNT & ASSOCIATES	67,810
DISTRICT OF SAANICH	59,757
DUNCAN ELECTRIC MOTOR LTD	51,887

Schedule of Payments for Goods and Services (Unaudited)

Year ended December 31, 2010

Supplier Name	Aggregated amount paid to supplier
YOUNG ANDERSON IN-TRUST	50,000
MATTHEWS STORE FIXTURES & SHELVING	48,492
NOVUS CONSULTING INC	48,173
PACIFIC BLUE CROSS	47,851
CREST	45,022
CLL RENOVATIONS	44,254
339828 BC LTD.	44,000
YOUNG ANDERSON	42,621
CAPITAL REGIONAL DISTRICT WATER DEPARTMENT	41,664
RECEIVER GENERAL FOR CANADA-E DIVISION FSS	40,904
WESTLAND INSURANCE GROUP LTD	40,351
JILL TURNER	40,000
SEAN D. MOORE AND AUDREY M. MOORE	40,000
KPMG LLP T4348	39,469
ISLAND LAND SURVEYING LTD	38,800
BLACK PRESS GROUP LTD	38,422
GARNER TECHNOLOGY GROUP	37,045
CALNAN INDUSTRIAL COATINGS	36,650
SCHO'S LINE PAINTING LTD	36,049
CAMPUS NISSAN	33,377
TOMAHAWK TREE SERVICE (2001) LTD	32,914
Seal Tec Industries Ltd	29,959
RCL CONSULTING LTD	27,513
SOUTH ISLAND POWER SWEEPING LTD	25,687
Total of aggregate payments exceeding \$25,000	12,582,846
Consolidated total of payments of \$25,000 or less	1,639,866
Total aggregate payments to supplies	\$ 14,222,712

Schedule of Payments for Goods and Services (Unaudited)

Year ended December 31, 2010

Supplier Name	Aggregated amount paid to supplier
Grants in Aid Exceeding \$25,000	
VIEWROYAL FIREFIGHTERS ASSOCIATION	\$ 46,064
VIEWROYAL READING CENTRE	25,000
SHORELINE COMMUNITY SCHOOL	25,000
Total aggregate grants in aid exceeding \$25,000	96,064
Total grants in aid of \$25,000 or less	68,007
Total aggregate grants in aid	164,071
Total Disbursements	14,386,783
Per Note 14 to the financial statements - Segmented information	10,934,557
Difference	3,452,226
Amortization not a cash expense	1,918,560
Employee and council remuneration not included in payment to suppliers	2,299,780
Employer portion of CPP and EI not included in payment to suppliers	109,878
Change in proportionate share of Westshore not a cash expense	(119,404)
West Shore expenses included in Note 14 not included in payment to suppliers	1,078,781
Capital Project expenses not included in note 14, included in payment to suppliers	(5,938,672)
Payments to City of Langford - In Trust not included in Note 14 - Casino Revenue Sharing Agreement	(1,795,976)
Payments to City of Langford not included in Note 14 - Casino Revenue Sharing Agreement	(673,491)
Debt payments on principal not included in Note 14	(197,613)
Variance	\$ 134,069

The variance occurs for the following reasons:

- the financial statements are prepared on an accrual basis and this report is on a cash basis
- HST is included in the payments to suppliers but is net of the municipal rebate in the financial statement total.

Statement of Remuneration and Expenses (Unaudited)

Year ended December 31, 2010

Elected Officials		Remuneration	Expenses	Total
Hill, Graham	Mayor	\$ 23,666	\$ 9,087	\$ 32,753
Screech, David	Councillor	11,000	5,761	16,761
Rast, Heidi	Councillor	11,000	5,479	16,479
Rogers, John	Councillor	11,000	5,221	16,221
Britton, Andrew	Councillor	11,000	3,875	14,875
		\$ 67,666	\$ 29,423	\$ 97,089
Employees		Remuneration	Expenses	Total
Hurst, Paul	Fire Chief	\$ 122,584	5,270	127,853
Jones, Sarah	Director of Corporate Administration	111,121	4,107	115,228
Chase, Lindsay	Director of Development Services	104,168	3,992	108,160
Day, Kathleen	Director of Finance	99,677	4,241	103,918
McCusker, Emmet	Director of Engineering	98,670	4,678	103,348
Becelaere, Deb	Superintendent Public Works and Engineering	94,202	473	94,675
Bevan, Heath	Firefighter	89,166	2,396	91,563
Marshall, Rob	Firefighter	80,301	3,114	83,415
Mollin, Troy	Firefighter	80,155	2,581	82,736
Scott, Ian	Senior Planner	76,315	3,207	79,521
	Other Employees (under \$75,000)	1,275,756	95,556	1,371,312
		\$ 2,232,114	\$ 129,616	\$ 2,361,730
Reconciliation of Remuneration				
1. Elected Officials		\$	67,666	
2. Employees			2,232,114	
3. Receiver General for Canada (Employer portion CPP & EI)			109,878	
4. West Shore Parks and Recreation Society - salaries, wages & employee benefits			1,078,781	
5. Health and Pension Benefits			237,745	
6. RCMP (West Shore Detachment) Civilian Staff Wages and benefits paid to City of Langford			182,242	
7. Overtime Banked as of December 31, 2010			(28,361)	
Total per note 14 to the audited financial statements		\$	3,880,066	

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

Statement of Gaurantee and Indemnity Agreements

Year ended December 31, 2010

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, 2010

There were no severance agreements under which payment commenced between the Town of View Royal and an employee during the fiscal year 2010.

Statement of Permissive Tax Exemptions (Unaudited)

Year ended December 31, 2010

Organization	Folio	Municipal Property Tax
Places of public worship		
All Saints Church - 287 Pallisier Ave	401-04412.018	\$ 3,448.10
St. Columbia Church - 40 High Street	401-07654.010	3,035.05
Community activity centres		
Strawberry Vale Community Hall - 11 High Street	401-07647.010	4,054.70
View Royal Community Hall - 292 Beaumont	401-04399.010	3,468.55
Not for profit organizations		
Island Corridor Foundation		
PID 023-005-459; Sections 6, 97, and 103: Plan VIP60330	401-18806.000	3,412.37
PID 011-825-871;014-980-258;024-036-021;024-039-209;024-839-957	401-18807.000	5,721.10
PID 024-635-987; Lot 1, Sections 8 & 27; Plan VIP69799	401-18807.002	173.01
		\$ 23,312.87

Statement of Development Cost Charges (DDC)

Year ended December 31, 2010

	Balance January 1	Transfer to Capital Projects	DCC's Received	Interest Earned	Balance December 31
Drainage DCC	\$ 570,553	\$ 4,855	\$ 53,241	\$ 11,644	\$ 630,583
Highways DCC	943,669	197,487	323,200	19,235	1,088,617
Park Improvement DCC	37,262	20,193	26,440	760	44,269
Park Land DCC	197,738	-	66,052	4,031	267,821
Sewer DCC	791,672	-	50,763	16,137	858,572
	<hr/>				
	\$ 2,540,894	\$ 222,535	\$ 519,696	\$ 51,807	\$ 2,889,862

Statistical Information
(Unaudited)
Taxable Assessments of Land and Improvements - Final Roll Totals

	2006	2007	2008	2009	2010
Residential	\$ 1,088,431,600	\$ 1,308,121,100	\$ 1,459,912,702	\$ 1,519,410,702	\$ 1,571,493,502
Utilities	459,035	423,315	317,800	317,800	369,400
Business	88,742,303	111,577,599	123,792,700	134,034,700	153,955,300
Rec/Non Profit	4,575,000	3,577,000	5,938,000	5,938,000	6,450,000
Farm	92,359	92,382	79,635	71,790	72,629
	\$ 1,182,300,297	\$ 1,423,791,396	\$ 1,590,040,837	\$ 1,659,772,992	\$ 1,732,340,831

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

	2006	2007	2008	2009	2010
Residential	2.3614	2.14086	2.03648	2.16151	2.25290
Utilities	31.6425	28.68758	26.95688	28.61845	29.82845
Business	10.0359	8.56346	8.14592	8.64606	8.48263
Rec/Non Profit	10.0359	8.56346	8.14592	8.64606	8.48263
Farm	34.5942	31.36367	14.25536	18.05945	18.82301

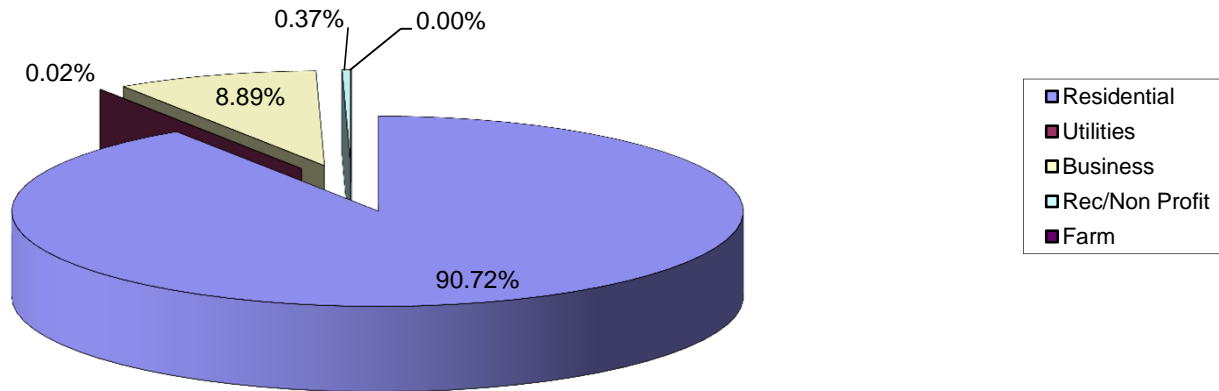
Municipal Property Tax Billings by Property Class

	2006	2007	2008	2009	2010
Residential	\$ 2,570,205	\$ 2,800,510	\$ 2,973,083	\$ 3,284,221	\$ 3,540,417
Utilities	14,525	12,144	8,567	9,095	11,019
Business *	890,607	955,490	1,008,405	1,158,872	1,329,672
Rec/Non Profit	45,914	30,631	48,370	51,340	54,713
Farm	3,195	2,897	1,135	1,296	1,367
	\$ 3,524,447	\$ 3,801,673	\$ 4,039,561	\$ 4,504,825	\$ 4,937,188

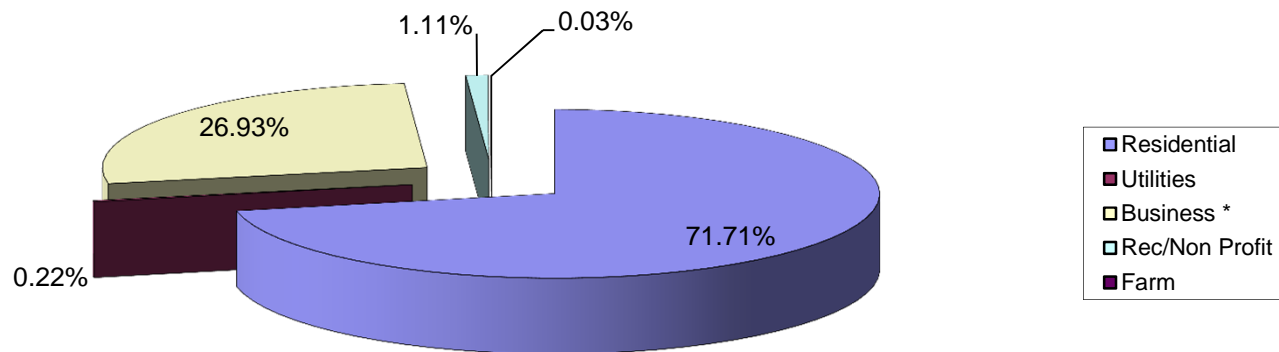
* includes a Risk to Roll adjustment of (\$34,584) for the year 2009 and \$23,726 for the year 2010

Statistical Information (continued)

2010 Assessments by Property Class



2010 Municipal Property Tax by Property Class



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

	2010	2009	2008	2007	2006
Long-term debt					
General - transportation services	\$ 615,382	\$ 804,937	\$ 987,201	\$ 1,162,455	\$ 1,330,968
Consolidated entity debt	86,100	-	-	-	149,418
	<u>701,482</u>	<u>804,937</u>	<u>987,201</u>	<u>1,162,455</u>	<u>1,480,386</u>
Capital lease obligation					
General - protective services	-	35,841	101,067	159,740	214,534
	<u>-</u>	<u>35,841</u>	<u>101,067</u>	<u>159,740</u>	<u>214,534</u>
Total Long Term Debt and Capital Lease Obligations	<u>701,482</u>	<u>840,778</u>	<u>1,088,268</u>	<u>1,322,195</u>	<u>1,694,920</u>
Population (BC Stats Estimates 2007 to 2010)	9,743	9,596	9,355	9,171	8,768
Debt per capita	\$ 72	\$ 88	\$ 116	\$ 144	\$ 193

Statistical Information (continued)
Principal Taxpayers (Unaudited)

Registered Owner	Primary Property	Total 2010 Property Taxes Levied	
Great Canadian Casinos Inc	View Royal Casino	\$	500,188.99
Admirals Walk Properties Ltd Inc	Admirals Walk	\$	385,966.32
Canadian Tire Real Estate Ltd	Canadian Tire	\$	213,099.55
0848052 BC Ltd	Thetis Cove	\$	179,344.26
West Shore U-Lock Mini Storage Ltd	U-Lock Mini Storage	\$	155,815.90
Adams Storage Ltd	Adams Storage	\$	140,073.91
0752481 BC Ltd	View Royal Casino - surplus surface parking	\$	73,923.41
Six Mile Pub Ltd.	Six Mile Pub	\$	72,839.26
High View Properties Ltd	Burger King and McKay's	\$	67,586.74
Mojack Holdings Ltd	Jenner Chevrolet	\$	67,332.79

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	July 2010	\$ 114,430
TFRS Grants	Defray the cost of local police enforcement	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 to Minimize tax rate increases in 2010	Moderate tax rate increases were needed due to loss of taxation revenue due to property assessment reduction of the View Royal Casino, and to meet financial sustainability targets in Councils Revenue Policy.

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.	Funds maintained <ul style="list-style-type: none"> ○ View Royals participation in the Greater Victoria Integrated Regional Crime Unit, Crises Response Team & Youth Services, and ○ Community policing in View Royal.

(3) Report Date: June 30, 2011