



Town of View Royal

# ANNUAL REPORT

Year Ended December 31, 2011

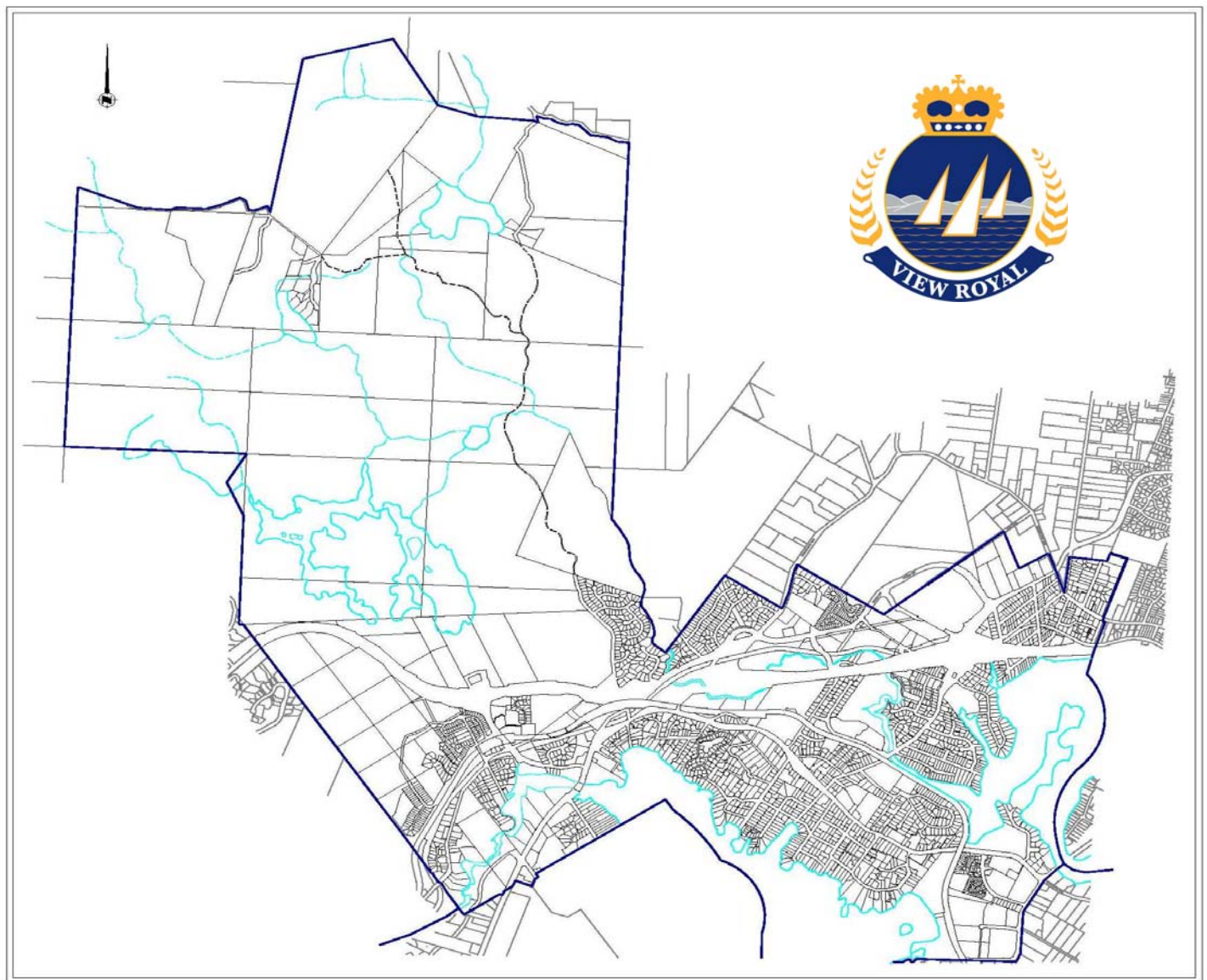


# TOWN OF VIEW ROYAL - ANNUAL REPORT

## TABLE OF CONTENTS

COMMUNITY PROFILE .....	3
MESSAGE FROM THE MAYOR .....	5
MAYOR & COUNCIL.....	6
ORGANIZATIONAL CHART .....	8
VISION, MISSION, VALUES.....	9
SUMMARY OF SERVICES & OPERATIONS.....	11
MUNICIPAL HIGHLIGHTS.....	12
2011 MUNICIPAL GOALS & OBJECTIVES .....	14
SUSTAINABLE VIEW ROYAL .....	15
WELL PLANNED, LIVABLE COMMUNITY.....	17
TRANSPORTATION .....	19
SAFE & PROTECTED COMMUNITY.....	21
ORGANIZATIONAL EXCELLENCE.....	23
LOOKING AHEAD .....	24
FINANCIAL INFORMATION.....	27





View Royal is 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.

# COMMUNITY PROFILE

A gateway between Victoria's urban core and the growing West Shore municipalities, **View Royal is a vibrant community.** Residents and visitors enjoy View Royal's beautiful parks and trails, colourful gardens, historic buildings, inspiring public art and unique shops and dining. With over 9,300 residents, **View Royal is one of the best places to call home.**

This year's **Annual Report** outlines the Town of View Royal's achievements and major projects for 2011. It shows the progress on our 2011 municipal goals and objectives, highlights financial reporting, and gives insight into plans for 2012-2014.

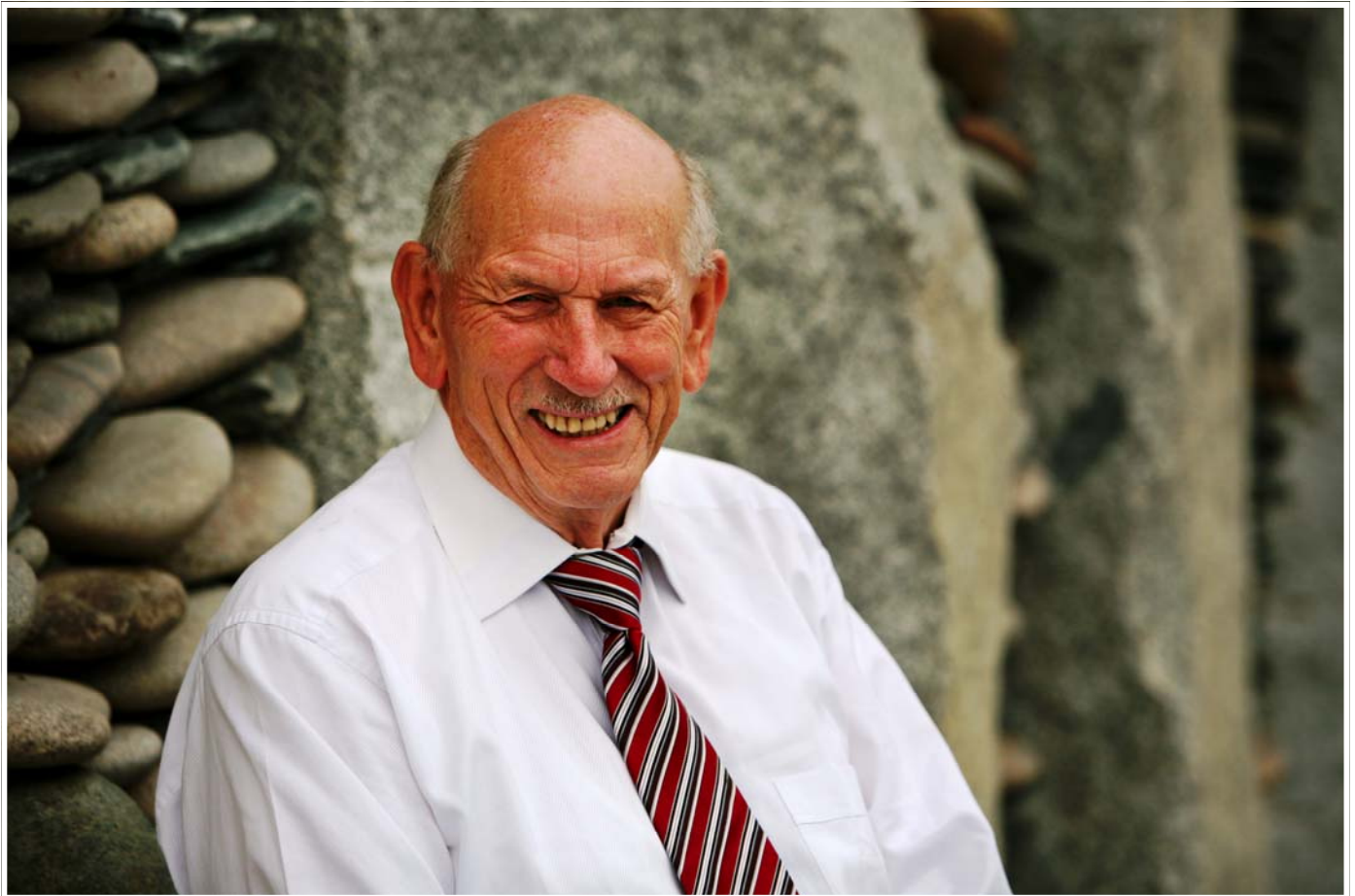


## VIEW ROYAL FAST FACTS:

INCORPORATION:	DECEMBER 5, 1988
POPULATION:	9,380*
LAND AREA:	2,499 HECTARES
PARKLAND:	732 HECTARES

\*as certified by Statistics Canada, Census, 2011





Top to bottom: Mayor Hill in front of the Island Highway stone mural wall, Mayor Hill with Simmons Family at View Royal Casino event, Mayor Hill presents Lynne Moorhouse with a Mayor's Award.

# MESSAGE FROM THE MAYOR

---

## VIEW ROYAL: ONE OF THE BEST PLACES TO CALL HOME

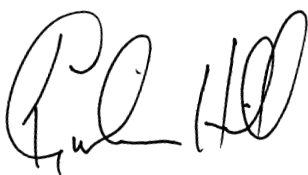
On behalf of View Royal Council, I am pleased to share this year's Annual Report, which outlines our key objectives and accomplishments for the year of 2011.

Residents can be proud that View Royal is a town of vision and values; one that continues to become a more respected member of the greater community. Goals have been reached and much has been accomplished in 2011 for View Royal. Projects developed to encourage a thriving, safe community that respects and sustains your investment and home in View Royal were made possible by the combined efforts of Council and staff, volunteers, neighbours, institutions and the Region.

A great accomplishment in 2011 for View Royal is the completion of the Island Highway improvement project. We can confidently say that we have achieved our goals of improving road safety, cleaning up our environment, and making traffic flow more smoothly. Residents enjoy new cycle lanes, sidewalks, turning lanes, and planted medians, all enhanced by what has been called the most striking work of public art in South Vancouver Island, the dramatic stone mural wall.

This project is just one example of the many accomplishments of the Town of View Royal that are outlined in this Annual Report. I hope you will take a moment to review our achievements for 2011, and learn more about our efforts towards achieving a community that is livable, green, and sustainable.

View Royal is committed to stay faithful to our values, to set innovative standards and continue to build and sustain View Royal as one of the best places to live. One of the best places to call home.



Graham Hill

# MAYOR & COUNCIL

---



The Mayor and Council of the Town of View Royal were elected for a three-year term in the municipal election held in November 2008.

Each member is appointed to Town and regional committees.



**Mayor Graham Hill** (December 2, 2002 - present)

- Finance & Administration - Chair
- CRD Board/Committee of the Whole
- CRD Hospital Board
- CRD Core Area Liquid Waste Management
- CRD Finance & Corporate Services
- CRD Planning, Transportation & Protective Services
- Island Corridor Foundation
- Tourism Victoria
- Municipal Insurance Association
- Victoria Chamber of Commerce





**Councillor Andrew Britton** (December 6, 2005 - December 5, 2011)

- Public Works & Transportation - Chair
- Joint School District/Municipal Committee
- Parents Advisory Committee
- Victoria Family Court & Youth Justice Committee



**Councillor Ron Mattson** (December 6, 2011 - present)

- Public Works & Transportation - Chair
- Parents Advisory Committee
- Victoria Family Court & Youth Justice Committee



**Councillor Heidi Rast** (December 2, 2008 - present)

- Protective Services & Community Services - Chair
- Capital Region Emergency Service Telecommunications (CREST)
- Community Policing
- Joint School District/Municipal Committee
- Official Community Plan Committee
- Police Building Liaison Committee
- Westshore Parks & Recreation Society



**Councillor John Rogers** (December 2, 1996 - present)

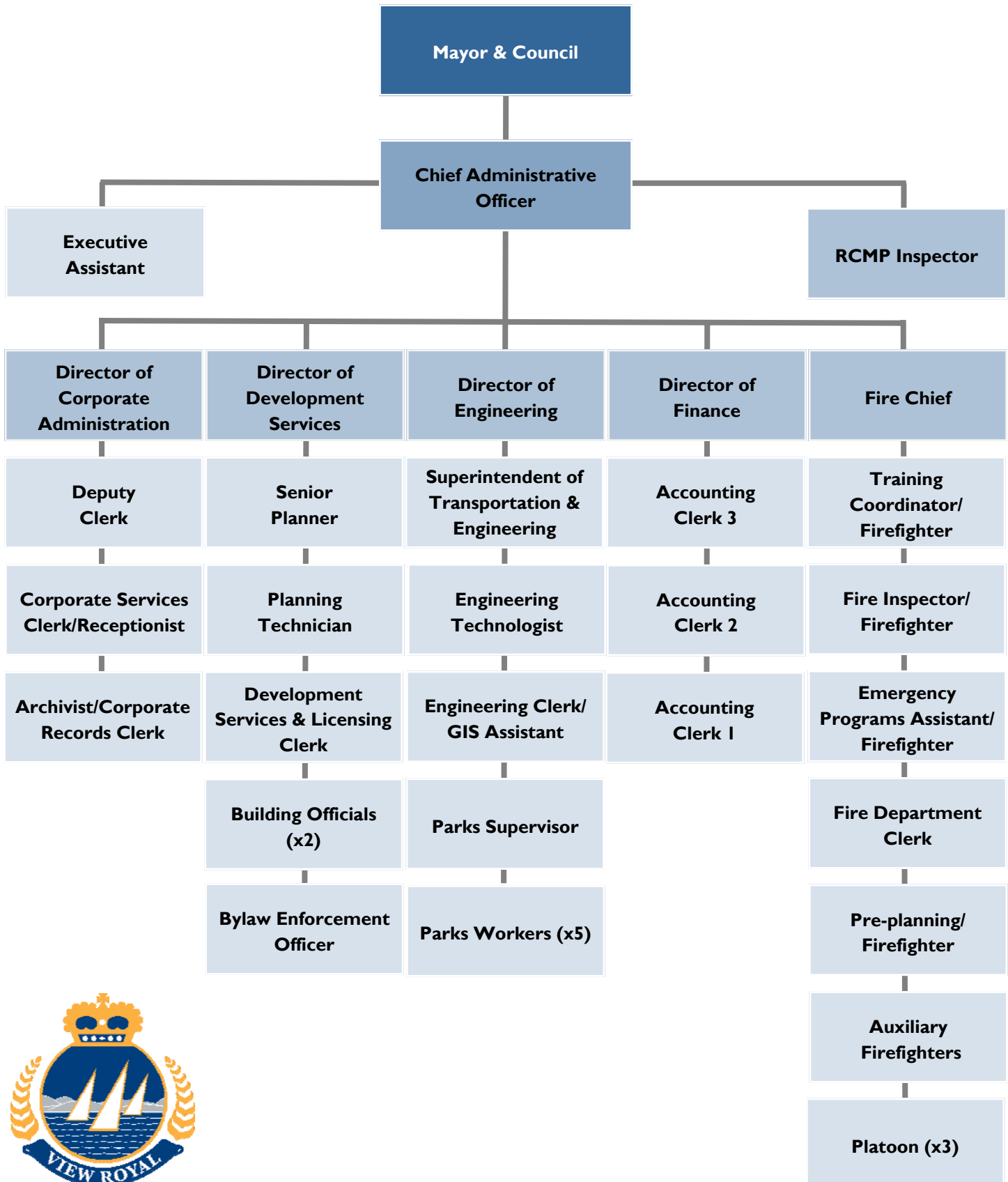
- Planning & Development - Chair
- CRD Climate Action Steering Committee
- CRD Housing Trust Fund Commission
- CRD Water Supply Commission
- Esquimalt Harbour Advisory Committee
- Friends of Cole Island
- Island Corridor Foundation
- Juan de Fuca Water Distribution Commission
- View Royal Archives
- CRD Harbours Environmental Action Program Cost-Sharing Sub-Committee



**Councillor David Screech** (December 2, 2002 - present)

- Parks, Recreation & Environment - Chair
- CRD Arts Committee
- Greater Victoria Public Library
- Island Highway Improvement Project
- Millstream Site Remediation
- View Royal Reading Centre
- View Royal Park Plan Project
- Westshore Chamber of Commerce
- Westshore Parks & Recreation Society

# 2011 Town of View Royal Organizational Chart





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

## **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 & 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.





# SUMMARY OF SERVICES & 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
- Economic development
- Heritage and revitalization

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

Town Services provided by **OTHER** organizations 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)

Town Services provided by the **CAPITAL REGIONAL DISTRICT**:

- Animal control
- Sewer system management
- Water management
- Recycling

The Town is represented on the following **BOARDS AND COMMITTEES**, 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 & Recreation Society
- Greater Victoria Public Library
- Community Policing



# 2011 MUNICIPAL HIGHLIGHTS



## JENECEE PLACE BREAKS GROUND

Ground was broken on April 5, 2011 to begin building a home away from home for children and their families who have to travel to Victoria for medical care. Located in View Royal at the Victoria General Hospital, Jeneece Place was the dream of Jeneece Edroff, who spent much of her life traveling to Vancouver for treatment for neurofibromatosis. At age seven she began her famous penny drive to help kids and has since raised over \$1 million.

## ISLAND HIGHWAY IMPROVEMENT PROJECT COMPLETED

Celebrations took place on October 5, 2011 for the Grand Opening of the Island Highway. The goals of the Island Highway Improvement Project were focused on cleaning up the environment, improving road safety and making traffic flow more smoothly. Upgrades provide enhanced safety for all modes of transportation with new sidewalks, street lighting and road surface improvements. Landscaped and treed boulevards provide buffers between pedestrians and traffic on this busy roadway. Our environment benefits from new rain gardens, bioretention devices and bioswales in the boulevards that provide treatment of stormwater road run-off. Bike lanes connected to existing regional networks and new bus shelters allow for a viable alternative for commuters, and carbon emissions are reduced as traffic flow is improved from new left-turn lanes, bus pull-outs, and traffic lights. The Island Highway also showcases a stone mural wall by Vancouver Island's own Andreas Kunert; an outstanding example of artisanship prominently displayed in View Royal for all to enjoy.





## CRAIGFLOWER BRIDGE REPLACEMENT PROJECT

A \$10 million dollar grant from the Federal Government will help fund the replacement of the Craigflower Bridge. Jointly owned by the Town of View Royal and District of Saanich, the two-lane timber trestle bridge along Craigflower Road was constructed in 1933 and remains substantially unchanged from that date. The bridge deck currently has very narrow sidewalks, thin and deteriorating asphalt overlays and no provision for bicycles. In addition to improved safety, a primary benefit of this project will be an increase in cycling and walking with the resultant improvement in health and reduction in auto-related pollution.



## HIGHLIGHTS AT A GLANCE

- 262 business licenses issued in 2011 (99 commercial, 163 home-based businesses).
- Construction value of building permits issued in 2011 totaled \$22,547,449.00.
- Hiring of a Planning Technician, Executive Assistant, Senior Planner, Engineering Clerk/GIS Assistant, Corporate Services Clerk/Receptionist, and Accounting Clerk 2 to replace vacancies.
- Online and telephone banking provided as a method of payment for property taxes.
- Rainfall on over 12, 000m<sup>2</sup> of roadway now naturally treated by rain gardens prior to discharge into the environment.
- 2, 600m of new sidewalks and 2,900m of new bike lanes added.
- Island Highway improvement project completed.
- Responded to 28 Freedom of Information requests.
- Home Owner Grant applications made available online.
- Land purchased for future Public Safety Building.
- Sewer user fees implemented.
- New Tree Protection Bylaw adopted.
- 49, 250m<sup>2</sup> of new parkland added.
- Official Community Plan review completed.



# 2011 MUNICIPAL GOALS & OBJECTIVES

The municipal goals and objectives set for 2009, 2010 and 2011 are identified in the Town of View Royal's Strategic Plan that was adopted by Council in 2009. The Strategic Plan outlines five key strategic priorities for the Town:

- Sustainable View Royal,
- Well Planned, Livable Community,
- Transportation,
- Safe and Protected Community, and
- Organizational Excellence.





### STRATEGIC PRIORITY: SUSTAINABLE VIEW ROYAL

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

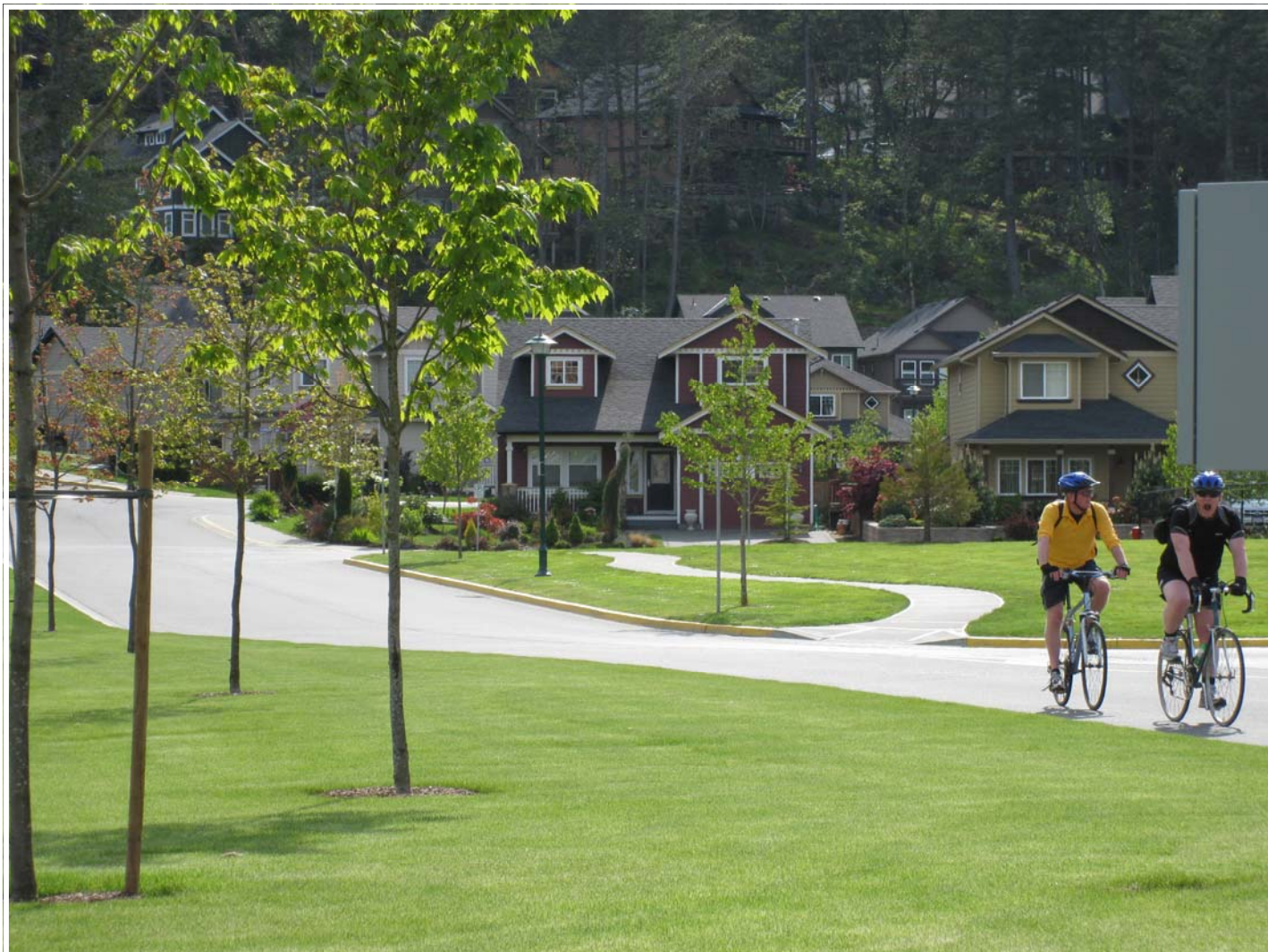
### DESIRED OUTCOMES:

- A 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.

### 2011 INITIATIVES:

INITIATIVE	OUTCOME
Complete a Community Energy & Green House Gas Emissions Plan.	<ul style="list-style-type: none"><li>• The project included a community survey, multiple open houses and detailed assessment of data about energy use in View Royal. A Community Climate Action Plan was adopted on June 5, 2012.</li></ul>
Adopt Stormwater Bylaws	<ul style="list-style-type: none"><li>• 2012 Budget.</li></ul>
Complete a review of Subdivision Servicing Standards.	<ul style="list-style-type: none"><li>• Currently developing the RFP; to be awarded at the July 2012 Committee of the Whole Meeting.</li></ul>





## - WELL PLANNED, LIVABLE COMMUNITY -

### STRATEGIC PRIORITY: WELL PLANNED, LIVABLE COMMUNITY

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

#### DESIRED OUTCOMES:

- A complete and balanced community;
- Well serviced neighbourhoods;
- Active, healthy lifestyles;
- Increased housing options to support social diversity;
- Linked and integrated plans – RGS, Strategic Plan, OCP, Parks Plan, Transportation Plan, Trails Plan, Sidewalk Plan etc.

#### 2011 INITIATIVES:

INITIATIVE	OUTCOME
Adopt Official Community Plan update.	<ul style="list-style-type: none"><li>• After two years of community consultation and background research, a new Official Community Plan was adopted in October 2011.</li></ul>
Revise Transportation Plan and Sidewalks/Trails Plan based on approved Official Community Plan (including implementation plan based on priorities).	<ul style="list-style-type: none"><li>• Currently developing the RFP; to be awarded at the July 2012 Committee of the Whole Meeting.</li></ul>
Complete the Official Community Plan- related to Land Use Bylaw Update, budget contingent.	<ul style="list-style-type: none"><li>• Deferred to 2012.</li></ul>
Develop a land acquisition and disposition policy.	<ul style="list-style-type: none"><li>• In the process of compiling examples from other local governments from which to formulate a policy for View Royal.</li></ul>
Implement the View Royal Park Plan.	<ul style="list-style-type: none"><li>• Developing an Implementation Plan to be presented at July 2012 Committee of the Whole.</li></ul>







### STRATEGIC PRIORITY: TRANSPORTATION

View Royal is a regional transportation and utilities hub. We will have many opportunities 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.

### DESIRED OUTCOMES:

- 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.

### 2011 INITIATIVES:

INITIATIVE	OUTCOME
Update parking standards and bike facility requirements in the Land Use Bylaw.	<ul style="list-style-type: none"><li>• This project has been deferred pending a review of the Land Use Bylaw, currently scheduled for 2012/13.</li></ul>
Complete sidewalk and cycling lane projects (Colwood border to Parson's Bridge).	<ul style="list-style-type: none"><li>• Sidewalk and cycling lane projects are complete.</li></ul>
Develop E&N Rail Trail Connectors at View Royal Park, Island Highway Overpass, Glenairlie Park, Helmcken Road (both sides) and Kislingbury Road.	<ul style="list-style-type: none"><li>• View Royal Park / Island Highway Overpass completed in 2011. Others to be completed in future year budgets.</li></ul>
Complete the Island Highway Improvement Project.	<ul style="list-style-type: none"><li>• Project work is complete and is now in the warranty period.</li></ul>





## - SAFE & PROTECTED COMMUNITY -

---

### STRATEGIC PRIORITY: SAFE & 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.

### DESIRED OUTCOMES:

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

### 2011 INITIATIVES:

INITIATIVE	OUTCOME
Complete the Business Continuity Plan.	<ul style="list-style-type: none"><li>• A draft version of the Business Continuity Plan is complete and the final review is underway.</li></ul>
Complete the Public Safety Building Design.	<ul style="list-style-type: none"><li>• Phase I of the Design Process is complete. A Schematic Design has been prepared by Hughes Condon Marler Architects through a series of public engagement meetings.</li></ul>





## - ORGANIZATIONAL EXCELLENCE -

### STRATEGIC PRIORITY: ORGANIZATIONAL EXCELLENCE

We must constantly strive to provide optimal governance, administrative and operational services. Our priority will be on improving communications, financial stewardship, and upgrading business systems.

### DESIRED OUTCOMES:

- 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.

### 2011 INITIATIVES:

INITIATIVE	OUTCOME
Implement a Geographical Information System (GIS).	<ul style="list-style-type: none"><li>• Implementation is ongoing. New maps have been created.</li></ul>
Complete an upgrade of the Records Management System	<ul style="list-style-type: none"><li>• Work is on-going with the Development Services and Engineering Departments inputting their files into the system. A Records Disposition Policy has been drafted. The purchase of new Records Management Software is anticipated in 2012.</li></ul>

# LOOKING AHEAD 2012 - 2014

Three Strategic Priorities have been identified for 2012 to 2014. The foundation bar at the bottom recognizes the reality and importance of ongoing work related to the core and fiduciary responsibilities of the Town; work that requires significant investment of time and dollars over and above the flow of regular duties.



**ENSURING FINANCIAL SUSTAINABILITY:** the next years will require strategic focus on financial sustainability.

Project/Initiative:	Timing:
Develop an evidence based Cost Projections related to Master Plans and Asset Management, and a Long Term Financial Plan	2012/13
Develop an Economic Development Strategy	Initial work: 2012, Follow-up studies: 2013/14
Implement a Tangible Asset Management System	On going
Create a Reserve Review and Policy	2012



**RESPONDING TO INCREASING EXPECTATIONS:** the Town will be challenged to respond to and manage these increasing expectations and financial sustainability simultaneously.

<b>Project/Initiative:</b>	<b>Timing:</b>
Complete a Service Review: define service level expectations and standards, align resources, compare baselines/practices with other municipalities, explore creative options for service effectiveness	2012
Develop a Performance Management System	On going; major review 2013/14

**BUILDING COMMUNITY IDENTITY:** we have made a great deal of progress on the physical, urban landscape front; the next three years provides an opportunity to strengthen our social sense of what it means to live in View Royal.

<b>Project/Initiative:</b>	<b>Timing:</b>
Formalize/Finalize Town of View Royal Branding	2012
Prepare 25th Birthday Celebrations	2013
Identify and Protect Heritage Assets	On going
Develop a Volunteer Support Program	On going
Create a Town Profile	2012

**CRITICAL PROJECTS AND INITIATIVES:** the Town must deliver on initiatives designed to meet legislated or regulatory requirements, projects already underway, and commitments made to the community in approved plans and reports.

<b>Project/Initiative:</b>	<b>Timing:</b>
Fire Hall Replacement	2012/13
Craigflower Bridge Replacement	2012
Land Use Bylaw Update	2012/13
Servicing Standards and Subdivision Bylaws	2012/13
Implement Records Management System	2012
Implement View Royal Park Master Plan	Ongoing





Town of View Royal

## **FINANCIAL INFORMATION**

Fiscal year ended  
December 31, 2011



# Financial Information

## Table of Contents

Statement of Financial Information Approval .....	29
Consolidated Financial Statements .....	30
Managements Responsibility for the Consolidated Financial Statements .....	32
Independent Auditors' Report .....	33
Consolidated Statement of Financial Position.....	34
Consolidated Statement of Operations .....	35
Consolidated Statement of Change in Net Financial Assets .....	36
Consolidated Statement of Cash Flows .....	37
Notes to the Consolidated Financial Statements.....	38
Schedule of Payments for Goods and Services .....	61
Statement of Remuneration and Expenses .....	63
Statement of Gaurantee and Indemnity Agreements .....	64
Statement of Severance Agreements .....	65
Statement of Permissive Tax Exemptions .....	66
Statement of Development Cost Charges .....	67
5 Year Assessment and Property Tax Information .....	68
Long Term Debt and Capital Lease Obligations.....	70
Principal Taxpayers.....	71
Strategic Community Investment Funds Plan and Progress Report.....	72

## Statement of Financial Information Approval

For the year ended December 31, 2011

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



---

Jeannie Beauchamp, CGA  
Director of Finance  
June 29, 2012



---

Graham Hill  
Mayor  
June 29, 2012

Prepared pursuant to the Financial Information Regulation, Schedule I, Section 9



Consolidated Financial Statements of

## **TOWN OF VIEW ROYAL**

Year ended December 31, 2011

# **TOWN OF VIEW ROYAL**

## **Consolidated Financial Statements**

Year ended December 31, 2011

### **Financial Statements**

Management's Responsibility for the Consolidated Financial Statements

Independent Auditors' Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Change in Net Financial Assets

Consolidated Statement of Cash Flows

Notes to Consolidated Financial Statements



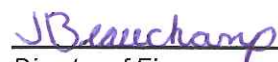
## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of View Royal (the "Town") are the responsibility of Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in the notes 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. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such test and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the Town in accordance with Canadian public sector accounting standards.

  
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](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

*To the Mayor and Councillors of the 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, 2011, 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, 2011, and its consolidated results of operations, 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  
June 19, 2012  
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

# TOWN OF VIEW ROYAL

## Consolidated Statement of Financial Position

December 31, 2011, with comparative information for 2010

	2011	2010
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 13,399,976	\$ 7,177,574
Taxes receivable	212,682	276,409
Accounts receivable	1,596,979	2,116,246
Government grant receivable (note 3)	10,860	4,460,092
	<u>15,220,497</u>	<u>14,030,321</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	2,440,504	2,860,906
Deposits	1,044,107	651,175
Deferred revenue (note 4)	5,719,145	5,336,743
Prepaid property taxes	229,079	173,532
Long-term debt (note 5)	2,926,343	701,482
Employee future benefit obligations (note 6)	121,656	131,200
	<u>12,480,834</u>	<u>9,855,038</u>
<b>Net financial assets</b>	<b>2,739,663</b>	<b>4,175,283</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 7)	112,100,944	98,380,787
Inventory of supplies	6,152	9,295
Prepaid expenses	17,472	22,250
	<u>112,124,568</u>	<u>98,412,332</u>
Commitments and contingencies (note 10)		
<b>Accumulated surplus (note 8)</b>	<b>\$ 114,864,231</b>	<b>\$ 102,587,615</b>

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

J. Beauchamp.

Director of Finance



# TOWN OF VIEW ROYAL

## Consolidated Statement of Operations

Year ended December 31, 2011, with comparative information for 2010

	Financial plan (unaudited - note 11)	2011	2010
<b>Revenue:</b>			
Taxation, net (note 9)	\$ 5,320,205	\$ 5,343,432	\$ 5,213,558
User charges	1,605,958	1,626,100	1,760,451
Government transfers:			
Provincial	3,399,269	2,897,765	2,441,218
Federal	3,650,560	3,686,304	4,169,446
Municipal	8,250	9,147	-
Investment income	85,000	157,924	152,405
Interest on sinking fund assets	-	44,384	27,523
Penalties and fines	60,000	62,660	57,457
Development charges earned	86,077	320,541	223,254
Developer contributions	360,000	7,763,280	2,100,204
Contributions and donations	-	596,000	-
Other revenue from own sources	887,301	1,002,965	874,643
<b>Total revenue</b>	<b>15,462,620</b>	<b>23,510,502</b>	<b>17,020,159</b>
<b>Expenses:</b>			
General government	1,831,871	1,634,846	1,774,198
Protective services	2,769,537	2,601,943	2,679,337
Transportation services	2,997,904	2,923,362	2,643,494
Environmental health services	1,227,116	1,194,371	1,201,768
Planning and development	454,383	391,867	425,664
Recreation and cultural	2,383,077	2,487,497	2,210,096
<b>Total expenses</b>	<b>11,663,888</b>	<b>11,233,886</b>	<b>10,934,557</b>
<b>Annual surplus</b>	<b>3,798,732</b>	<b>12,276,616</b>	<b>6,085,602</b>
<b>Accumulated surplus, beginning of year</b>	<b>102,587,615</b>	<b>102,587,615</b>	<b>96,502,013</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 106,386,347</b>	<b>\$ 114,864,231</b>	<b>\$ 102,587,615</b>

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, 2011, with comparative information for 2010

	Financial plan (unaudited - note 11)	2011	2010
Annual surplus	\$ 3,798,732	\$ 12,276,616	\$ 6,085,602
Acquisition of tangible capital assets	(13,525,699)	(7,740,938)	(5,938,672)
Contributions of tangible capital assets	-	(8,356,280)	(1,857,279)
Amortization of tangible capital assets	-	2,225,389	1,918,560
Loss on disposal and write-down of tangible capital assets	-	65,144	62,051
Change in proportionate share of West Shore	-	86,528	(119,404)
	(13,525,699)	(13,720,157)	(5,934,744)
Acquisition and consumption of inventory of supplies	-	3,143	(8,481)
Acquisition of prepaid expenses	-	4,778	15,100
Change in net financial assets (debt)	(9,726,967)	(1,435,620)	157,477
Net financial assets, beginning of year	4,175,283	4,175,283	4,017,806
Net financial assets (debt), end of year	\$ (5,551,684)	\$ 2,739,663	\$ 4,175,283

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, 2011, with comparative information for 2010

	2011	2010
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 12,276,616	\$ 6,085,602
Items not involving cash:		
Amortization of tangible capital assets	2,225,389	1,918,560
Loss on disposal and write-down of tangible capital assets	65,144	62,051
Contributions of tangible capital assets	(8,356,280)	(1,857,279)
Change in employee benefits and other liabilities	(9,544)	24,651
Change in proportionate share of West Shore	86,528	(119,404)
Actuarial adjustment on debt	(44,384)	(27,523)
Changes in non-cash operating assets and liabilities:		
Accounts receivable	519,267	(640,978)
Taxes receivable	63,727	228,154
Government grant receivable	4,449,232	(4,159,444)
Accounts payable and accrued liabilities	(420,402)	771,663
Deposits	392,932	42,424
Deferred revenue	382,402	522,355
Prepaid property taxes	55,547	81,526
Inventory of supplies	3,143	(8,481)
Prepaid expenses	4,778	15,100
	11,694,095	2,938,977
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(7,740,938)	(5,938,672)
	(7,740,938)	(5,938,672)
<b>Financing activities:</b>		
Debt issued	2,445,000	86,100
Capital lease payments	-	(35,582)
Debt repaid	(175,755)	(162,032)
	2,269,245	(111,514)
Increase (decrease) in cash and cash equivalents	6,222,402	(3,111,209)
Cash and cash equivalents, beginning of year	7,177,574	10,288,783
Cash and cash equivalents, end of year	\$ 13,399,976	\$ 7,177,574
<b>Supplemental cash flow information:</b>		
Cash paid for interest	\$ 53,393	\$ 60,765
Cash received from interest	175,180	161,853

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, 2011

---

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. The Town's principal activities include the provision of local government services to residents of the incorporated area.

### 1. Significant accounting policies:

The consolidated financial statements of the Town are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("PSAB"). 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 4.

#### (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.

#### (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, 2011

---

## 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.

### (d) Deferred revenue (continued):

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.

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

### (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 cash, 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) Deposits:

Receipts restricted by third parties are deferred and reported as deposits and are refundable under certain circumstances. Deposits and prepayments are recognized as revenue when qualifying expenditures are incurred.

### (h) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

## 1. Significant accounting policies (continued):

### (i) 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.

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, 2011

## 1. Significant accounting policies (continued):

### (j) 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 less accumulated amortization. Costs include 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 on a monthly basis, starting the month of the date of acquisition. 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 estimated fair value at the date of receipt, and 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, 2011

## 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.

### (k) 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. Cash and cash equivalents:

	2011	2010
Bank deposits	\$ 8,527,430	\$ 2,330,377
Municipal Finance Authority - Money Market	174,124	174,124
Municipal Finance Authority - Intermediate	554,403	554,403
Municipal Finance Authority - Short Term Bond	4,100,409	4,100,409
Restricted cash	43,610	18,261
	<u>\$ 13,399,976</u>	<u>\$ 7,177,574</u>

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

### 3. Government grant receivable:

Government grant receivable represents the expenses 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 expenses incurred between March 12, 2008 and June 30, 2011 up to a total cost of \$7,392,364. The Town incurred total eligible expenses on the upgrades of \$7,392,364, of which \$10,860 remains receivable at December 31, 2011.



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

## 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 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.

	2011	2010
Gaming revenue:		
Deferred net gaming revenue, beginning of year	\$ 1,492,023	\$ 1,444,687
Amounts received during the year	4,212,109	4,489,941
Disbursements:		
Eligible expenses	(2,212,738)	(1,973,138)
Other municipal partners	(2,316,660)	(2,469,467)
Deferred net gaming revenue, end of year	1,174,734	1,492,023
Federal Gas Tax Agreement Funds:		
Deferred gas tax agreement funds, beginning of year	673,078	449,019
Amounts received during the year	285,636	285,663
Interest earned	17,256	9,448
Eligible expenses	(655,422)	(71,052)
Deferred gas tax agreement funds, end of year	320,548	673,078
Development cost charges:		
Deferred development cost charges, beginning of year	2,889,862	2,540,895
Amounts received during the year	1,005,302	520,414
Interest earned	74,090	51,807
Eligible expenses	(100,199)	(223,254)
Deferred development cost charges, end of year	3,869,055	2,889,862
Deferred revenue - other	354,808	281,780
Total deferred revenue	\$ 5,719,145	\$ 5,336,743

## 5. 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 \$63,098 (2010- \$86,100).

(b) MFA debt outstanding:

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

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

MFA Issue Number	Interest rate	Maturity date	Originally Approved	Net debt 2011	Net debt 2010
95	4.07%	Oct 13, 2013	\$ 1,493,000	\$ 418,245	\$ 615,382
117	3.25%	Oct 12, 2026	2,445,000	2,445,000	-
			\$ 3,938,000	\$ 2,863,245	\$ 615,382

### (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. 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
2012	\$ 284,138
2013	284,138
2014	284,138
2015	122,106
2016	122,106

### (d) Interest expense:

Total interest expense during the year was \$90,484 (2010 - \$60,765).

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

## 6. Employee future benefit obligations:

Employee benefit obligations represent accrued benefits as at December 31, 2011. 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.

### 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 173,000 active members and approximately 63,000 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 \$146,398 (2010 - \$131,500) for employer contributions and Town employees paid \$140,262 (2010 - \$127,077) for employee contributions to the plan in fiscal 2011.



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

## 7. Tangible capital assets:

	Land and improvements	Buildings and building improvements	Vehicles, machinery and equipment	Drainage and sewer infrastructure	Roads infrastructure	Assets under construction	Total 2011	Total 2010
<b>Cost:</b>								
Balance, beginning 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
Additions	8,969,565	177,384	453,485	3,065,390	8,125,784	(4,694,390)	16,097,218	8,037,953
Disposals	-	(96,391)	(17,459)	-	(404,342)	-	(518,192)	(822,979)
Balance, end of year	45,220,690	9,606,234	5,189,738	32,892,935	45,334,308	497,582	138,741,487	123,162,461
<b>Accumulated amortization:</b>								
Balance, beginning of year	1,609,177	2,960,132	2,778,912	4,705,776	12,727,677	-	24,781,674	23,501,444
Disposals	-	(14,019)	(13,303)	-	(339,198)	-	(366,520)	(638,330)
Amortization	44,311	260,123	290,465	342,439	1,288,051	-	2,225,389	1,918,560
Balance, end of year	1,653,488	3,206,236	3,056,074	5,048,215	13,676,530	-	26,640,543	24,781,674
Net book value, end of year	\$43,567,202	6,399,998	2,133,664	27,844,720	31,657,778	497,582	\$112,100,944	\$98,380,787

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

## 7. Tangible capital assets (continued):

### (a) Assets under construction:

Assets under construction totaling \$497,582 (2010 - \$5,191,972) 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 estimated fair market value at the date of contribution. The value of contributed capital assets received during the year is \$8,356,280 (2010 - \$1,857,279) comprised of land \$3,284,633 (2010 - \$1,353,528), sewer and storm infrastructure \$2,659,987 (2010 - \$81,800) and roads infrastructure \$1,818,660 (2010 - \$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 \$nil (2010 - \$62,051).

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

## 8. Accumulated surplus:

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

	2011	2010
<b>Surplus:</b>		
Equity in tangible capital assets	\$109,174,601	\$ 97,679,305
Unrestricted general fund surplus	936,957	570,530
Unrestricted sewer fund surplus	1,225,432	1,080,141
Total surplus	111,336,990	99,329,976
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital Works and Land Acquisition	498,431	136,854
Fire Department Equipment	210,054	131,241
Machinery and Equipment Depreciation	42,232	21,677
Municipal Roads Capital	26,248	8,959
Parks and Open Space	272,237	245,932
Parks and Recreation Equipment	173,473	144,761
Police Equipment, Property and Contract	595,560	578,723
Police Operation and Maintenance	281,534	243,712
Road Trust	113,656	300,941
Sewer System Capital	1,057,260	1,102,357
Sewer System Equipment Replacement	71,242	51,911
Tax Sale Land	8,173	7,968
West Shore Reserves	177,141	282,603
Total reserve funds	3,527,241	3,257,639
	<b>\$114,864,231</b>	<b>\$102,587,615</b>

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

## 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.

	2011	2010
<b>Taxes</b>		
Property taxes	\$ 11,114,226	\$ 11,028,978
Revenues in lieu of taxes	187,372	167,651
1% utility taxes	113,286	108,720
	<u>11,414,884</u>	<u>11,305,349</u>
<b>Less taxes levied for other authorities:</b>		
School Authorities	4,017,955	4,129,580
Capital Regional District	814,983	826,113
Capital Regional Hospital District	585,307	580,830
BC Transit	519,713	416,768
BC Assessment Authority	133,086	138,103
Municipal Finance Authority	408	397
	<u>6,071,452</u>	<u>6,091,791</u>
<b>Net taxes available for municipal purposes</b>	<b>\$ 5,343,432</b>	<b>\$ 5,213,558</b>

## 10. 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, 2011

---

## 10. 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, 2011 there were contingent demand notes of \$172,803 (2010 - \$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 2012 estimated cost of this contract is \$1,150,829.

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

## 11. Financial plan data:

The unaudited financial plan data presented in these consolidated financial statements is based upon the 2011 operating and capital financial plans approved by Council on May 3, 2011, adjusted to reflect West Shore proportionately consolidated budgeted revenues and expenses. The chart below reconciles the approved financial plan to the financial plan figures reported in these consolidated financial statements.

	Financial plan amount
Revenues:	
Financial plan	\$ 14,631,519
West Shore	831,101
Total revenue	15,462,620
Expenses:	
Financial plan	10,906,859
West Shore	757,029
Total expenses	11,663,888
Annual surplus	\$ 3,798,732

The annual surplus above represents the planned results of operations prior to budgeted transfers between reserve funds, debt repayments and capital expenditures.

## 12. 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 2011, the Town's share of improvements purchased by the Society on its behalf is \$131,283 (2009 - \$542,859).

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 2011, the Town recorded a loss of \$86,528 (2010 - a gain of \$119,404).

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

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

### (a) Capital asset transfer (continued):

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.

### (b) Consolidation:

Financial results and financial plan for the Society are consolidated into the Town's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2011, the Town's proportion for consolidation purposes was 14.183% (2010 - 14.350%). Condensed financial information for the Society is as follows:

	2011	2010
Financial assets	\$ 2,099,082	\$ 2,809,521
Financial liabilities	1,850,172	2,205,113
Net financial assets	248,910	604,408
Non-financial assets	763,902	795,491
Accumulated surplus	\$ 1,012,812	\$ 1,399,899
Revenues	\$ 5,480,808	\$ 7,051,888
Requisition for members	4,453,952	4,163,307
	9,934,760	11,215,195
Expenses	5,867,895	7,654,985
Requisition for members	4,453,952	4,163,307
	10,321,847	11,818,292
Annual deficit	\$ (387,087)	\$ (603,097)

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

## 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.

### 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.



# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

## 13. Segmented information (continued):

### 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, 2011

## 13. Segmented information (continued):

		General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and cultural	Total
2011								
<b>Revenue:</b>								
Taxation	\$	715,934	\$ 2,260,798	\$ 1,802,949	\$ -	\$ 43,243	\$ 520,508	\$ 5,343,432
User charges		12,267	234,616	33,547	1,010,537	335,133	-	1,626,100
Developer contributions		-	-	2,609,560	2,103,842	-	3,049,878	7,763,280
Contributions and donations		-	-	3,000	-	-	593,000	596,000
Development charges earned		-	-	315,569	-	-	4,972	320,541
Other		240,287	60,780	17,396	-	-	684,502	1,002,965
Investment income		23,597	24,450	12,010	50,660	-	47,207	157,924
Penalties and fines		62,660	-	-	-	-	-	62,660
Interest on sinking fund assets		-	-	44,384	-	-	-	44,384
Government transfers		736,333	216,512	4,600,913	-	10,860	1,028,598	6,593,216
Total revenue		1,791,078	2,797,156	9,439,328	3,165,039	389,236	5,928,665	23,510,502
<b>Expenses:</b>								
Salaries and wages		838,359	1,065,521	190,009	171,358	314,243	278,112	2,857,602
Contracted and general services		219,215	1,073,733	1,221,183	599,580	60,754	1,759,226	4,933,691
Supplies and utilities		71,899	95,048	135,861	26,679	517	74,852	404,856
Other		415,309	168,713	14,072	12,847	13,722	10,673	635,336
Amortization		90,064	169,173	1,301,508	383,907	2,631	278,106	2,225,389
Change in proportionate share of West Shore		-	-	-	-	-	86,528	86,528
Debt services		-	29,755	60,729	-	-	-	90,484
Total expenses		1,634,846	2,601,943	2,923,362	1,194,371	391,867	2,487,497	11,233,886
Annual surplus (deficit)	\$	156,232	\$ 195,213	\$ 6,515,966	\$ 1,970,668	\$ (2,631)	\$ 3,441,168	\$ 12,276,616

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

## 13. Segmented Information (continued):

2010	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and cultural	Total
<b>Revenue:</b>							
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
Development 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 and fines	57,457	-	-	-	-	-	57,457
Interest on sinking fund assets	-	-	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
<b>Expenses:</b>							
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	\$ 6,085,602

# TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2011

---

## 14. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.



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

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

## INDEPENDENT AUDITORS' REPORT

To the Ministry of Community, Sport and Cultural Development

We have audited the accompanying Home Owner Grant: Treasurer/Auditor Certificate (the "Certificate") for the Town of View Royal (the "Entity"), for the year ended December 31, 2011. The Certificate has been prepared by management based under the provisions of Section 12 of the Home Owner Grant Act.

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

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the Certificate based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Certificate is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Certificate. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Certificate, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the Certificate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Certificate.

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

### *Opinion*

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

### *Restriction on Distribution*

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

Chartered Accountants

June 19, 2012  
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.





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

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

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

At the request of the Town of View Royal (the "Entity"), we have audited the Entity's compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2011. Compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act is the responsibility of the Entity's management. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Entity complied with subsections 2 and 3 of section 124 of Part 8 of the School Act. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with subsections 2 and 3 of section 124 of Part 8 of the School Act and, where applicable, assessing the accounting principles used and significant estimates made by management.

In our opinion, the Entity has complied, in all material respects, with subsections 2 and 3 of section 124 of Part 8 of the School Act for the year ended December 31, 2011.

*KPMG LLP*

Chartered Accountants

June 19, 2012  
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

**Schedule of Payments Made for the Provision of Goods and Services (Unaudited)**

Year ended December 31, 2011

Supplier Name	Aggregated amount paid to supplier
0878503 BC Ltd	\$ 97,194
ADRIANS MASONRY	29,305
BC HYDRO	121,892
BLACK PRESS GROUP LTD	43,922
CAPITAL CITY PAVING LTD	42,474
CAPITAL REGIONAL DISTRICT- ACCOUNTS	1,553,854
CAPITAL REGIONAL DISTRICT WATER DEPARTMENT	90,309
CITY OF LANGFORD	865,262
CITY OF LANGFORD - IN TRUST	1,707,141
Clyde Snobelen Landscaping Ltd.	33,830
CORPORATION OF THE TOWNSHIP OF ESQUIMALT	130,182
CREST	35,217
DISTRICT OF SAANICH	73,592
DON MANN EXCAVATING LTD	3,755,762
DUNCAN ELECTRIC MOTOR LTD	43,552
FIVE STAR PAVING CO LTD	183,371
FortisBC Energy (Vancouver Island) Inc.	59,684
G & E EQUIPMENT RENTALS LTD	422,126
G. P. Rollo & Associates Ltd.	25,258
GARNER TECHNOLOGY GROUP	34,582
GOLDER ASSOCIATES LTD	61,141
GREATER VICTORIA PUBLIC LIBRARY	397,402
ISLAND LAND SURVEYING LTD	56,908
Ledcor Construction Ltd.	54,733
MCELHANNEY CONSULTING SERVICES LTD	518,880
MONK OFFICE	27,212
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	72,693
MUNICIPAL PENSION PLAN	264,555
NOVUS CONSULTING INC	46,918
PACIFIC BLUE CROSS	65,972
PLACEMENT GROUP	40,597
R.G. Excavating Ltd.	46,928
RAYLEC POWER LTD	453,693
RECEIVER GENERAL FOR CANADA - RCMP POLICING	781,134
RECEIVER GENERAL FOR CANADA-E DIVISION FSS	45,157
SCHO'S LINE PAINTING LTD	50,724
SHAW CABLESYSTEMS GP	80,496
TELUS MOBILITY	27,281
TOMAHAWK TREE SERVICE (2001) LTD	29,414
TOWER FENCE PRODUCTS LTD	42,220

**Schedule of Payments Made for the Provision of Goods and Services (Unaudited)**

Year ended December 31, 2011

<b>Supplier Name</b>	<b>Aggregated amount paid to supplier</b>
TRANSIGN (1999) LTD	25,471
VICTORIA CONTRACTING & MUNICIPAL MTC CORP	1,078,057
WASTE MANAGEMENT OF CANADA CORP.	223,195
WEST SHORE PARKS & REC. SOCIETY	631,721
WESTLAND INSURANCE GROUP LTD	40,588
WORKERS' COMPENSATION BOARD OF BC	27,373
<b>Total of aggregate payments exceeding \$25,000</b>	<b>14,538,972</b>
<b>Consolidated total of payments of \$25,000 or less</b>	<b>1,458,228</b>
<b>Total aggregate payments to suppliers</b>	<b>15,997,200</b>
<b>Grants and Contributions Exceeding \$25,000</b>	
QUEEN ALEXANDRA FOUNDATION FOR CHILDREN	28,563
SHORELINE COMMUNITY SCHOOL ASSOCIATION	30,000
VIEW ROYAL FIREFIGHTERS ASSOCIATION	46,064
VIEW ROYAL READING CENTRE	25,000
<b>Total aggregate grants and contributions exceeding \$25,000</b>	<b>101,064</b>
<b>Total grants and contributions of \$25,000 or less</b>	<b>52,078</b>
<b>Total aggregate grants and contributions</b>	<b>153,142</b>
Total of aggregate payments exceeding \$25,000 paid to suppliers	14,538,972
Consolidated total of payments of \$25,000 or less paid to suppliers	1,458,228
Consolidated total of all grants and contributions exceeding \$25,000	153,142
Total per Statement of Revenue and Expenditure	11,233,886
<b>Variance *</b>	<b>4,916,456</b>

\* This statement shows actual payments during the year, while the Statement of Revenue and Expenditure reports expenses during the year. Differences include capital, wages and benefits, West Shore, and payments under the Casino Revenue Sharing Agreement.

# Statement of Remuneration and Expenses (Unaudited)

Year ended December 31, 2011

Elected Officials				
	Remuneration	Expenses	Total	
Hill, Graham				
Mayor	\$ 22,950	\$ 6,990	\$ 29,940	
Screech, David				
Councillor	11,475	3,598	15,073	
Rast, Heidi				
Councillor	11,475	2,903	14,378	
Rogers, John				
Councillor	11,475	4,207	15,682	
Britton, Andrew				
Councillor	10,519	3,179	13,698	
Mattson, Ron				
Councillor	861	92	953	
	<b>\$ 68,754</b>	<b>\$ 20,968</b>	<b>\$ 89,722</b>	
Employees				
	Remuneration	Expenses	Total	
Anema, Kim				
Chief Administrative Officer	\$ 138,913	\$ 6,291	\$ 145,204	
Becelaere, Deb				
Superintendent Public Works and Engineering	99,628	13	99,641	
Bevan, Heath				
Firefighter	82,484	1,969	84,453	
Chase, Lindsay				
Director of Development Services	108,800	3,819	112,620	
Day, Kathleen				
Director of Finance	105,599	3,705	109,305	
Hurst, Paul				
Fire Chief	111,441	3,345	114,786	
Jones, Sarah				
Director of Corporate Administration	112,854	2,341	115,196	
Marshall, Rob				
Firefighter	82,313	968	83,282	
McCusker, Emmet				
Director of Engineering	100,789	2,136	102,924	
Mollin, Troy				
Firefighter	79,109	2,428	81,537	
Podmoroff, David				
Parks Supervisor	75,746	278	76,024	
Woodley, Darryl				
Engineering Technologist	80,036	307	80,343	
Other Employees (under \$75,000)	983,569	50,842	1,034,410	
	<b>\$ 2,161,283</b>	<b>\$ 78,442</b>	<b>\$ 2,239,724</b>	
Reconciliation of Remuneration				
1. Elected Officials				
2. Employees		\$	\$ 68,754	
3. Receiver General for Canada (Employer portion CPP & EI)			2,161,283	
4. Health and Pension Benefits			107,591	
5. RCMP (West Shore Detachment) Civilian Staff Wages and benefits paid to City of Langford			221,052	
6. Overtime Banked as of December 31, 2011			186,214	
7. Other reconciling items (wages & benefits not included in the statement of operations ie. Capital) and West Shore Parks and Recreation Society (salaries, wages & employee benefits)			(19,378)	
			132,086	
Total per Statement of Revenue and Expenditure		<b>\$</b>	<b>\$ 2,857,602</b>	

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, 2011

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

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



## Statement of Severance Agreements

Year ended December 31, 2011

There were 2 severance agreements under which payments commenced between the Town of View Royal and an employee during the fiscal year 2011.

These agreements represent from 1 to 2 months of compensation

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

# Statement of Permissive Tax Exemptions (Unaudited)

Year ended December 31, 2011

Organization	Folio	Municipal Property Tax
<b>Places of public worship</b>		
All Saints Church - 287 Palliser Ave	401-04412.018	\$ 3,709.91
St. Columbia Church - 40 High Street	401-07654.010	2,654.22
<b>Community activity centres</b>		
Strawberry Vale Community Hall - 11 High Street	401-07647.010	4,221.02
<b>Not for profit organizations</b>		
Island Corridor Foundation	PID 023-005-459; Sections 6, 97, and 103; Plan VIP60330	3,752.59
	PID 011-825-871; 014-980-258; 024-036-021; 024-039-209; 024-839-957	6,290.06
	PID 024-635-987; Lot 1, Sections 8 & 27; Plan VIP69799	196.56
		<b>\$ 20,824.35</b>

# Statement of Development Cost Charges (DCC)

Year ended December 31, 2011

	Balance January 1	Transfer to Capital Projects	DCC's Received	Interest Earned	Balance December 31
Drainage DCC	\$ 630,583	\$ -	\$ 166,351	\$ 16,167	\$ 813,100
Highways DCC	1,088,617	95,227	525,071	27,910	1,546,370
Park Improvement DCC	44,269	4,972	36,304	1,135	76,736
Park Land DCC	267,821	-	42,150	6,866	316,837
Sewer DCC	858,572	-	235,428	22,012	1,116,012
	\$ 2,889,862	\$ 100,199	\$ 1,005,303	\$ 74,090	\$ 3,869,055

# Statistical Information

(Unaudited)

## Taxable Assessments of Land and Improvements - Final Roll Totals

	2007	2008	2009	2010	2011
Residential	\$ 1,308,121,100	\$ 1,459,912,702	\$ 1,519,410,702	\$ 1,571,493,502	\$ 1,669,838,002
Utilities	423,315	317,800	317,800	369,400	371,900
Business	111,577,599	123,792,700	134,034,700	153,955,300	138,540,900
Rec/Non Profit	3,577,000	5,938,000	5,938,000	6,450,000	6,450,000
Farm	92,382	79,635	71,790	72,629	71,218
	\$ 1,423,791,396	\$ 1,590,040,837	\$ 1,659,772,992	\$ 1,732,340,831	\$ 1,815,272,020

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

	2007	2008	2009	2010	2011
Residential	2.14086	2.03648	2.16151	2.25290	2.24943
Utilities	28.68758	26.95688	28.61845	29.82845	29.78246
Business	8.56346	8.14592	8.64606	8.48263	8.81214
Rec/Non Profit	8.56346	8.14592	8.64606	8.48263	8.81214
Farm	31.36367	14.25536	18.05945	18.82301	18.79399

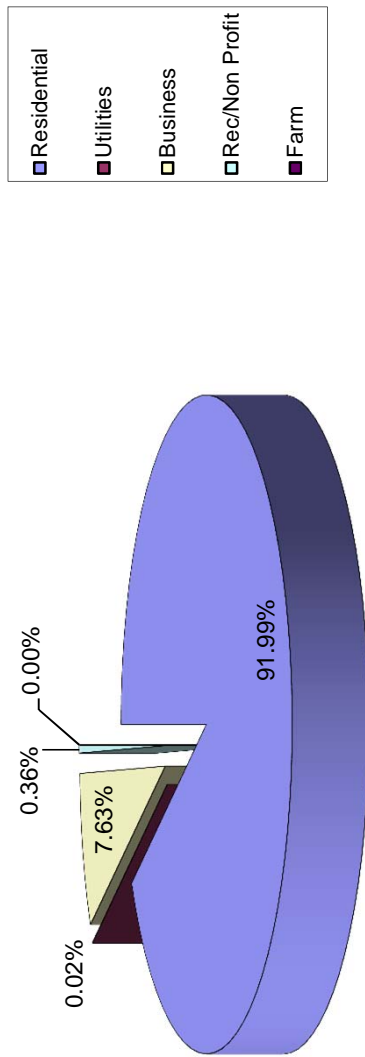
## Municipal Property Tax Billings by Property Class

	2007	2008	2009	2010	2011
Residential	\$ 2,800,510	\$ 2,973,083	\$ 3,284,221	\$ 3,540,417	\$ 3,756,184
Utilities	12,144	8,567	9,095	11,019	\$ 11,076
Business *	955,490	1,008,405	1,158,872	1,329,672	\$ 1,220,842
Rec/Non Profit	30,631	48,370	51,340	54,713	\$ 56,838
Farm	2,897	1,135	1,296	1,367	\$ 1,338
	\$ 3,801,673	\$ 4,039,561	\$ 4,504,825	\$ 4,937,188	\$ 5,046,278

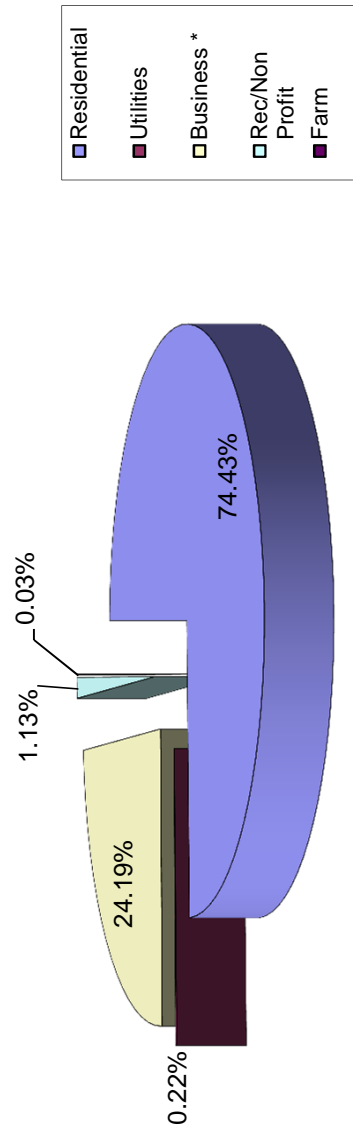
\* includes a Risk to Roll adjustment of (\$34,584) for the year 2009 and \$23,726 for the year 2010

Statistical Information (continued)

2011 Assessments by Property Class



2011 Municipal Property Tax by Property Class





## Statistical Information (continued)

Long Term Debt and Capital Lease Obligations (Unaudited)						
	2011	2010	2009	2008	2007	
<b>Long-term debt</b>						
General - transportation services	\$ 804,937	\$ 615,382	\$ 804,937	\$ 987,201	\$ 1,162,455	
Consolidated entity debt	63,098	86,100	-	-	-	
	868,035	701,482	804,937	987,201	1,162,455	
<b>Capital lease obligation</b>						
General - protective services		-	35,841	101,067	159,740	
<b>Total Long Term Debt and Capital Lease Obligations</b>	868,035	701,482	840,778	1,088,268	1,322,195	
Population (BC Stats Estimates 2007 to 2011)	9,838	9,743	9,596	9,355	9,171	
<b>Debt per capita</b>	<b>\$ 88</b>	<b>\$ 72</b>	<b>\$ 88</b>	<b>\$ 116</b>	<b>\$ 144</b>	

## Statistical Information (continued)

### Principal Corporate Taxpayers (Unaudited)

Registered Owner	Primary Property	Total 2011 General Municipal Taxes Levied
Admirals Walk Properties Ltd Inc	Admirals Walk	\$192,307
Great Canadian Casinos Inc	View Royal Casino	149,366
Canadian Tire Real Estate Ltd	Canadian Tire	106,424
West Shore U-Lock Mini Storage Ltd	U-Lock Mini Storage	75,696
Goodwill Investments Ltd	Fort Victoria	73,304
Adams Storage Ltd	Adams Storage	64,386
Boardwalk Equities (BC) Inc	Spruce Apartments	59,169
535167 BC Ltd	Nelson Square Shopping Centre	50,608
0848052 BC Ltd	Thetis Cove	50,197
Helmcken Meadows Apts Ltd	Helmcken Meadows Apartments	44,541

**Total Tax Contributions from Top 10 Corporate Taxpayers** **\$865,999**

**Total General Municipal Tax** **\$5,034,913**

**Proportion of municipal tax paid by top ten** **17.2%**



## TOWN OF VIEW ROYAL

### 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	April 2011	\$222,889
		June 2011	\$320,721
TFRS Grants	Defray the cost of local police enforcement	April 2011	\$31,679
		June 2011	\$50,325

#### (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.	Minimize tax rate increases	Moderate tax rate increases were needed due to loss of taxation revenue as a result of reduced Casino revenue, 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"> <li>View Royals participation in the Greater Victoria Integrated Regional Crime Unit, Crises Response Team &amp; Youth Services, and</li> <li>Community policing in View Royal.</li> </ul>

**Report Date: July 10, 2012**