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TOWN OF VIEW ROYAL

ANNUAL REPORT

Year Ended December 31, 2015



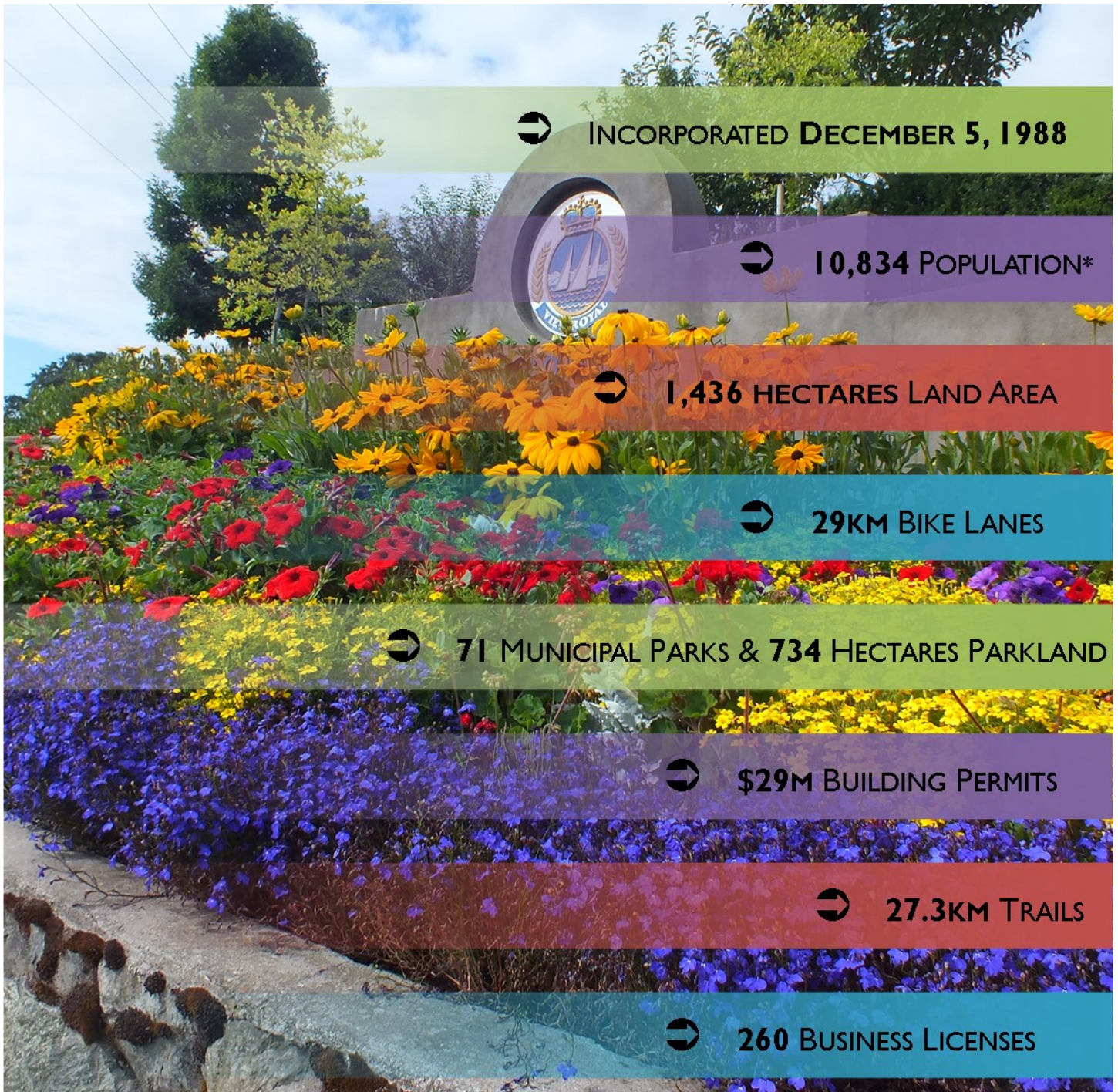
TOWN OF VIEW ROYAL - ANNUAL REPORT

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COMMUNITY PROFILE

A gateway between Victoria's urban core and the growing West Shore municipalities, View Royal is a vibrant community. This year's Annual Report outlines the Town's achievements and major projects for 2015. It shows the progress on our 2015 municipal goals and objectives, highlights financial reporting, and gives insight into plans for the future.



*est. as per 2015 BCStats



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.



Mayor Screech cuts the ribbon for the new Public Safety Building.



Mayor Screech and Waste Management Canada staff officially christen the new “clean air” CNG truck at an outdoor celebration at View Royal Elementary School.

MESSAGE FROM THE MAYOR

On behalf of View Royal Council and staff I am pleased to share this annual report.

This report highlights the key accomplishments and initiatives of our Town in 2015. Through the work of Council, staff, advisory committees, and others we continue our work towards implementing View Royal's strategic plan.

The pride we feel living in View Royal is not accidental. The quality of life that we experience in our community comes about as a result of Council, staff, and engaged citizens working to inform policies and land-use decisions that have established and maintained View Royal's unique and desirable character.

This was a busy year for our Town with many projects underway. By far the most prominent was the opening of the new View Royal Public Safety Building in June. This building has been a success by all measures and goes a long way to ensuring the safety and security of View Royal well into the future.

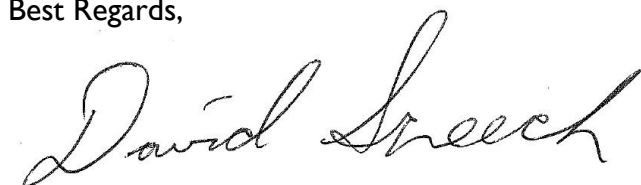
Other highlights include:

- Upgrades to Portage Park included a wonderful new playground along with picnic table and benches;
- Phase 2 of the E&N Trail from the 4 mile trestle to the Thetis interchange was completed. This trail is an amazing new amenity for View Royal residents and for the region;
- View Royal became one of the founding members of the new Southern Vancouver Island Economic Development Association;
- The Town purchased the Portage Inlet Linear Connector Park;
- Shoreline Trail was completed, connecting Shoreline Drive and Shoreline Middle School with Island Highway;
- A new clean air CNG truck for Waste Management Canada began servicing View Royal;
- Volunteer View Royal continued to grow and organize work parties in the Town;
- Eagle Creek Village in north View Royal began to take shape as it neared completion.

I hope you will take the time to browse these pages and review our achievements for 2015. View Royal Council and staff are very proud of our Town and the accomplishments achieved.

We are committed to keeping our values and continuing to build and sustain View Royal as one of the best places to call home.

Best Regards,



MAYOR & COUNCIL

The 2015 Mayor and Council of the Town of View Royal were elected for a four-year term in the municipal election held in November 2014.

Each member is appointed to Town and regional committees.



Mayor David Screech (December 2, 2014 - present)

- Finance & Administration - Chair
- CRD Arts Committee
- CRD Board/Committee of the Whole
- CRD Hospital Board
- CRD Core Area Liquid Waste Management
- CRD Planning, Transportation & Protective Services
- CRD Regional Parks - Vice-Chair
- CRD Transportation Select
- CRD West Side Wastewater Treatment
- Capital Region Housing Corporation - Chair
- Greater Victoria Harbour Authority
- Te'Mexw Treaty Advisory Committee
- View Royal Reading Centre



Councillor Ron Mattson (December 6, 2011 - present)

- Public Works & Transportation - Chair
- CRD Housing Trust Fund Commission
- Esquimalt Harbour Advisory Committee
- Victoria Family Court & Youth Justice Committee
- West Shore Parks & Recreation Society



Councillor Heidi Rast (December 2, 2008 - present)

- Protective Services & Community Services - Chair
- CRD Climate Action Steering Committee
- Capital Region Emergency Service Telecommunications (CREST)
- Community Policing
- Police Building Liaison Committee



Councillor John Rogers (December 2, 1996 - present)

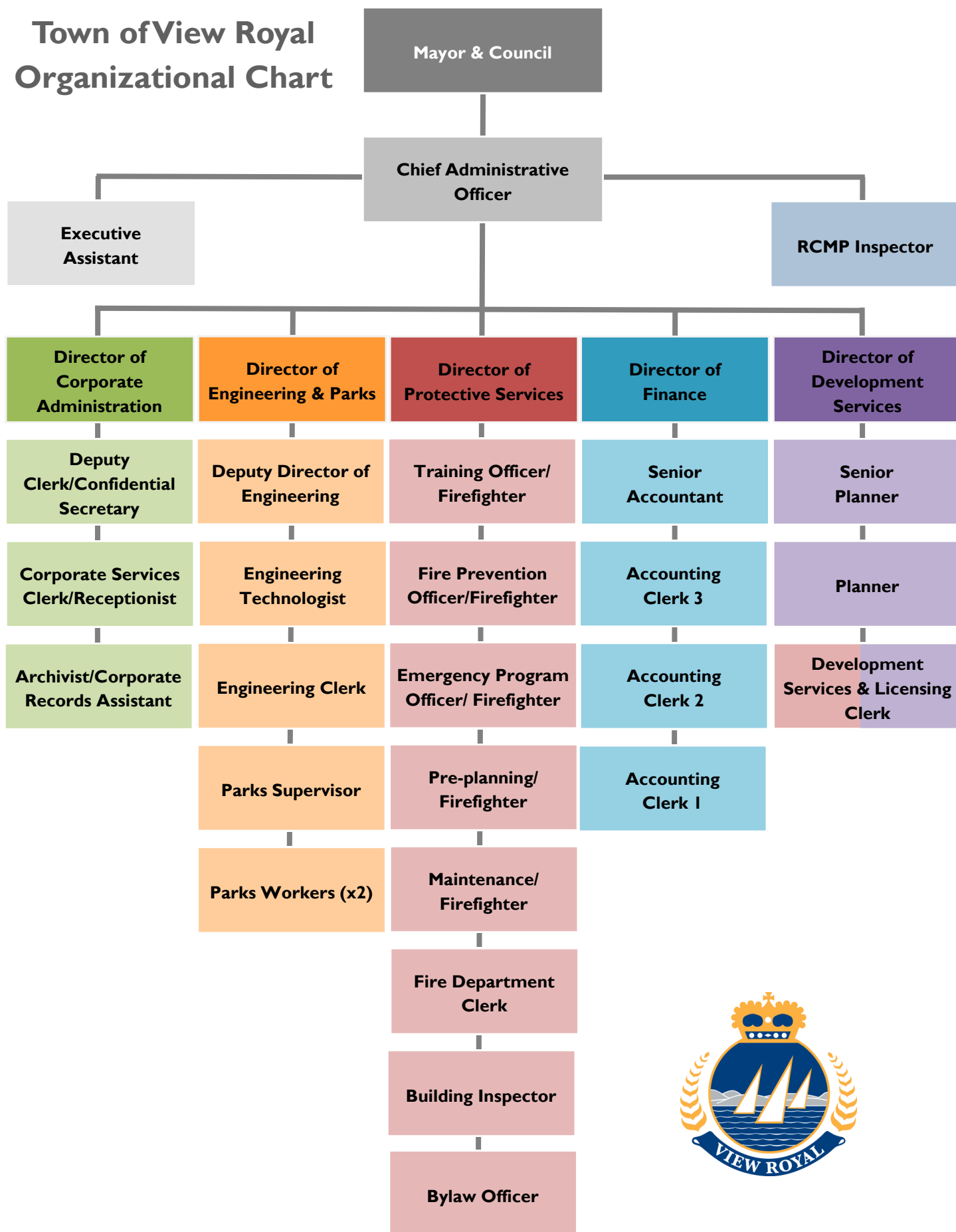
- Parks, Recreation & Environment - Chair
- CRD Water Supply Commission
- Friends of Cole Island
- Greater Victoria Public Library
- Juan de Fuca Water Distribution Commission



Councillor Aaron Weisgerber (December 2, 2014 - present)

- Planning & Development - Chair
- Joint School District/Municipal Committee
- Parents Advisory Committee
- Westshore Chamber of Commerce

2015 Town of View Royal Organizational Chart





LIVABLE VIEW ROYAL:

simply the best place to call home.

MISSION - WHY WE EXIST

To build a resilient, vibrant community that fosters and balances social, environmental and economic well-being.

VISION - THE FUTURE WE STRIVE TO CREATE

Livable View Royal – simply the best place to call home.

VALUES - OUR GUIDEPOSTS

The Town of View Royal pursues good community through a corporate culture that is:

- Accountable,
- Collaborative,
- Efficient, and
- Respectful,
- Innovative,
- Effective.
- Ethical,
- Proactive,

COMMITMENT TO ORGANIZATIONAL EXCELLENCE

The Town of View Royal is committed to providing the best possible local government for our residents and business community. This commitment drives constant improvement, with particular emphasis on:

- providing strong, strategic policy-based governance,
- demonstrating collaborative leadership and effective shared decision-making within the community, with our regional partners, including First Nations,
- nurturing productive working relationships at the legislative and executive level,
- pursuing excellence founded on core values, approved plans, policies and our commitment to innovation,
- decision-making processes to be transparent and responsive,
- integrating strategic planning, business planning, budgeting and performance management systems,
- embracing evidence-based best practices for professionalism,
- enhancing customer service and related communications capacity, and
- positioning sustainability as the foundation of our municipal culture.



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



2015 MUNICIPAL HIGHLIGHTS

ADMINISTRATION DEPARTMENT

- As part of an outreach and information sharing initiative, View Royal Archives hosted two training events in 2015. The first event was held in the spring and facilitated discussion of best practices and procedures with other volunteer archives groups. The second event, held in the autumn, involved an instructor from the Archives Association of British Columbia delivering a workshop to over thirty community archives representatives from around the region.
- The annual volunteer banquet held in the spring was a success. This event is an occasion for our Town's volunteers to come out and socialize and get to know one another better. As well, it is a chance to celebrate the Town's successes and strong identity, attributable in large part to our committed volunteers.
- New in 2015 was the introduction of elementary school tours to assist students with their social science curriculum which covers local governments and their services. Four classes from View Royal Elementary School attended Town Hall for tours. The tour included an age-appropriate PowerPoint presentation in Chambers on the relevance of local government; a tour of the Town Hall – with a stop to hear a story in Archives; and a look at the Parks buildings and equipment. Time was spent during the tour completing a scavenger hunt to test listening and observation skills.
- Staff responded to 30 Freedom of Information requests with a majority of those requests being for building/property information.
- In 2015, 280 Island Highway, the Town's former fire hall site, was available for sale on the open market and several offers were received. The year ended with the Town in negotiations with one of these potential purchasers.
- Administration coordinated the recruitment of a full complement of parks staff for the 2015 seasonal summer parks work program and filled the vacant Director of Finance position.
- At the invitation of then Minister of Community, Sport and Cultural Development, Coralee Oakes, Town representatives met in mid-2015 to discuss regional governance in light of the planned Provincial review. The Province expressed a desire to learn what services are working and what could be improved amongst the municipalities in the Capital Regional District.

VIEW ROYAL ARCHIVES PARTICIPATES IN H2OPEN HOUSE

View Royal Archives participated in a Capital Regional District event – H2Open House – to mark the 100th anniversary of the water supply system in the region. View Royal's Archivist/Corporate Records Assistant proudly shows off the detailed water themed display put together by the View Royal Archives Volunteers.



2015 MUNICIPAL HIGHLIGHTS (con't)

ENGINEERING & PARKS DEPARTMENT

- The Town's Portage Park Restoration Program continued into its fourth year, with monthly work parties to remove invasive species. Additional work parties, in collaboration with other local groups including Shoreline Middle School and Greater Victoria Green Team, were successful and continue to improve the ecological integrity of the natural ecosystem in Portage Park.
- Continuation of the annual Sewer Lift Station Pump Replacement Program saw two pumps replaced in 2015. The Town has a total of 17 sewer lift stations.
- The Welland Legacy Park is home to one of the widest selections of apple varieties in Canada. In partnership with the Town, LifeCycles has done exemplary work to create a new model of public park stewardship, protecting and nurturing this community treasure.
- The Town completed the Portage Park playground installation by adding accessories including a picnic table, garbage can, and bench.
- The Town acquired two speed reader boards which will be used to alert motorists to pay attention to vehicle speed. The reader boards will rotate through various locations including Chilco Road, Helmcken Road at Jedburgh Road, Helmcken Road at Watkiss Way, Watkiss Way at Talcott Road, Highland Road at Valley View Place, and on Island Highway.
- In partnership with the Volunteer View Royal Committee, new swings, a picnic table, bench and walking trail were installed in Mellor Park.
- At the 2015 BC Steel Design Awards of Excellence held in Vancouver, the Canadian Institute of Steel Construction (CISC) recognized projects from British Columbia companies for innovation in architecture, engineering and sustainability. The CISC awarded the Craigflower Bridge with top honors in the sustainability category.
- Waste Management began servicing View Royal with a new "clean air" truck, powered by compressed natural gas (CNG) for a smaller carbon footprint. The truck is delivering distinct environmental benefits for the Town, including nearly zero air particulate and 23% fewer greenhouse gas emissions. The engine also runs quieter than the traditional diesel engine, resulting in a quieter truck and less noise in neighbourhoods.

NEW CONNECTOR TRAIL FOR VIEW ROYAL

As part of the restoration work for the new Craigflower Pump Station, the CRD has partnered with the Town of View Royal and Shoreline Community School to install a new trail from Shoreline Drive over to Island Highway. This trail will provide the community with better access to the E&N Rail Trail and Portage Park.



VIEW ROYAL STAFF TAKE PART IN UNITED WAY 2015

Since 2011, staff have contributed over \$20,200 to the United Way of Greater Victoria through payroll deductions. In 2015 alone, staff donated \$4,354 to help the United Way support 111 programs that serve children, families and the broader community within the region.



FINANCE DEPARTMENT

- The development of an IT Strategic Plan was completed by hired consultant, MYRA Systems. The report contains some expected budget costs associated with opportunities and directions. In November, each department met with MYRA Systems to discuss an implementation strategy. MYRA was also tasked with developing cost estimates to accompany the implementation strategy.
- Staff completed a Letters of Credit policy to establish the requirements for Letters of Credit that form security for development projects. The policy provides guidance to the development community and more certainty for security.
- After being short staffed for an extended period of time, the Finance Department welcomed the return of the Senior Accountant, who was away on maternity leave, as well as the hiring of a new Director of Finance.

2015 MUNICIPAL HIGHLIGHTS (con't)

DEVELOPMENT SERVICES DEPARTMENT

- The Town entered into a partnership with the Master of Community Planning program at Vancouver Island University and 22 students began work on a review of the Parks Master Plan. A consultation strategy and work plan for the project was approved by Council in December 2015.
- A number of development applications kept staff busy as they work their way through the construction process to final occupancy. Eagle Creek Village was near completion at year end and a rezoning application was concluded to allow day surgeries and medical diagnostic uses on site. A new commercial building at Lakeside Village on Six Mile Road was well under way, and development permits were issued for the subdivision of Phases 6 and 7 of the Thetis Vale development off Chilco Road.
- The Town continues to make progress with our climate initiatives at the corporate level. The Town achieved Carbon Neutral status for our corporate operations again in 2015 with the purchase of carbon offsets. Achieving carbon neutral status three years in a row (from 2013 onwards) represents a significant achievement for a small community.
- Work on the Lime Kiln on Hart Road continues. The masonry base has been restored and carefully documented. The chimney has been temporarily removed to make sure the site is stable before further restoration can be considered.
- The Town became a founding funder for the new South Vancouver Island Economic Development Association (SVIEDA).
- Planning staff continue to be engaged in work on the Regional Growth Strategy. A revised draft is expected in early 2016.

NEW COMMUNITY RECREATION AMENITY

The Town of View Royal purchased a 0.938 hectare (approximately 2.3 acre) site known as the “Portage Inlet Linear Connector Park”, linking View Royal's St. Giles Street to Saanich's Portage Road.

This property has long been used for recreation as it was a former rest area for travelers on the TransCanada Highway. Currently it serves pedestrians seeking a peaceful walk or some bird watching beside the breath-taking Portage Inlet. The Town of View Royal looks forward to continuing to provide these recreational uses into the future.



2015 MUNICIPAL HIGHLIGHTS (con't)

NEW PUBLIC SAFETY BUILDING IS COMPLETE

2015 realized the long awaited completion of the View Royal Public Safety Building. Officially opened in June 2015 by Mayor Screech and Council, built to serve View Royal, Songhees and Esquimalt Nations, this state of the art facility is now home to several services, including Fire & Rescue, Building & Bylaw Compliance, Emergency Support Services, Emergency Radio, Emergency Management Division and the Town's Emergency Operations Center.

The building is post disaster seismic with a life expectancy of 75 to 100 years. Incorporated in the construction project are standalone rental suites for active volunteer firefighters. These suites will be occupied by July 2016. In September 2015, the volunteer and career firefighters began staffing the Public Safety Building on night shifts to improve response times to emergency and non-emergency calls. This move to night shift staffing realizes a recognized need for enhanced response and provide a high level of service to the residents. Today, the fire station is staffed 20 hours a day, 7 days a week.



PROTECTIVE SERVICES DEPARTMENT

- View Royal Volunteer Firefighters responded to nearly 1000 calls for service and spent over 5000 hours managing emergencies and assistance calls. With recent legislation from the Province outlining minimum training standards for fire departments in British Columbia, View Royal firefighters dedicated just shy of 6000 hours towards regulatory training.
- View Royal Fire conducted 276 fire inspections with an average compliance rate of 95%.
- Partnering with the BCAA Child Passenger Safety Program, View Royal Fire Rescue delivered 160 Individual Car Seat Education sessions to provide resources and training to parents to ensure their children are safe while travelling in vehicles.
- View Royal Fire gave 17 school and community group tours of the Public Safety Building (totalling 209 children and 90 adult/care givers). Tours provide fire safety information, truck and equipment familiarization and fun activities.
- View Royal Fire participated in 4 sessions of the P.A.R.T.Y. program at Victoria General Hospital for Grade 10 students who tour the hospital to learn about real life physical trauma from those who witness it first-hand. Students learn the consequences of not wearing a seat belt, operating a motor vehicle under the influence of drugs or alcohol, speeding, and distracted driving—consequences such as permanent brain or spinal cord injury, burns, paralysis and death.
- The Town issued 345 secondary suite permits in 2015.
- The Building & Bylaw division saw base building permits for the Eagle Creek Village project completed. Residential construction was primarily in the areas of renovations and additions, with the exception of the new townhomes located at 235 Island Highway.

2015 MUNICIPAL GOALS & OBJECTIVES

The 2015 - 2018 Strategic Plan provides an opportunity to step back, look at the bigger picture and identify a few key areas or opportunities that require special attention or emphasis. Four strategic priorities have been identified for 2015 - 2018:

- FINANCIAL SUSTAINABILITY AND SERVICE EXCELLENCE,
- ENHANCE LIVABILITY IN VIEW ROYAL,
- COMMUNITY AND ECONOMIC GROWTH, and
- MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS.



- FINANCIAL SUSTAINABILITY & SERVICE EXCELLENCE -

STRATEGIC PRIORITY:

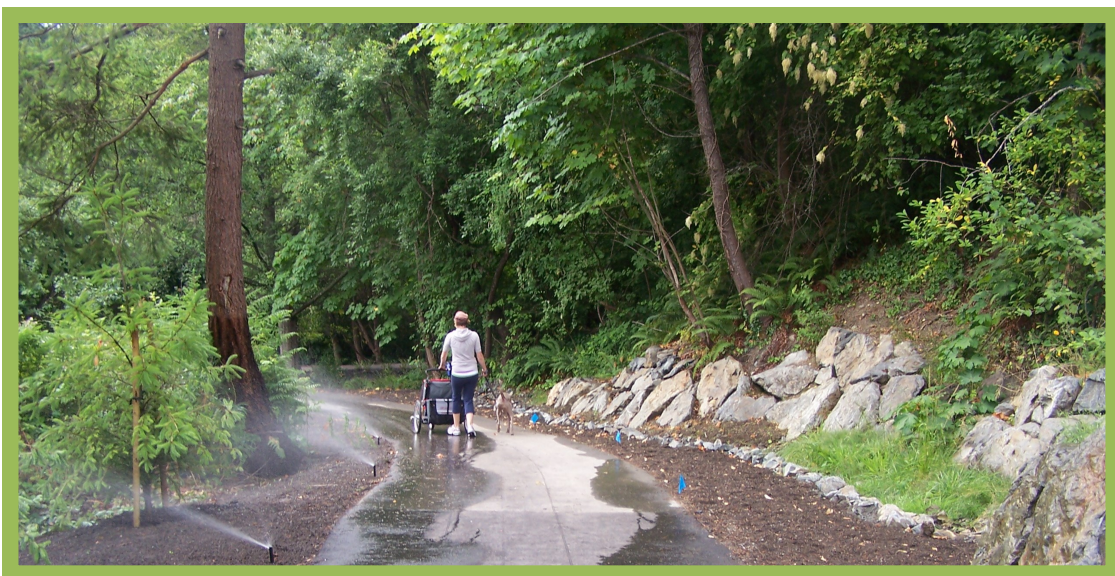
- Ensure we are providing quality services to our residents on a cost effective basis;
- Focus on Capital Asset Management Program.

DESIRED OUTCOMES:

- Optimized corporate efficiencies;
- Confidence in the fiscal health and financial sustainability of the Town;
- Diversified revenue base;
- Predictable property tax and user fee increases.

2015 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Complete service review to define service levels and resource requirements for each municipal function.	<ul style="list-style-type: none"> • Service review deferred to 2016.
Complete Fees & Charges Bylaw review to ensure alignment with selected service levels.	<ul style="list-style-type: none"> • Fees & Charges Bylaw review is scheduled to come forward in stages for readings to introduce a new stand-alone bylaw to replace existing regulation in a department-by-department fashion starting with items relating to Development Services and progress through other departments and functions shortly thereafter.
Complete the update/revisions to master plans: <ul style="list-style-type: none"> • Transportation; • Drainage; • Parks. 	<ul style="list-style-type: none"> • Traffic information was collected by the Town's consultant for the Transportation Master Plan; data is being analyzed. • Drainage Master Plan deferred to 2016. • An agreement was signed with Vancouver Island University for the completion of the Parks Master Plan.
Establish a Capital Asset Management System that examines all tangible capital assets, including parks, land improvements, municipal buildings, vehicles, machinery and equipment, and engineering structures.	<ul style="list-style-type: none"> • Development of a surplus policy and work on a reserve funds review was initiated in 2015 and continues into 2016 with planned adoption in 2016. These two items are part of the building blocks towards a comprehensive asset management program.
Develop a Long Term Financial Plan and decision making framework for capital projects; complete the	<ul style="list-style-type: none"> • Long Term Financial Plan and DCC Bylaw review deferred to 2016.
Develop a Surplus Policy.	<ul style="list-style-type: none"> • Hired a consultant to complete a draft Surplus Policy and to review reserve funds; draft policy to be adopted in 2016.
Reserve funds review.	



- ENHANCE LIVABILITY IN VIEW ROYAL -

STRATEGIC PRIORITY:

- Proceed with parks improvements in accordance with the Parks Master Plan;
- Ensure key bylaws and policies reflect community's needs;
- Increase community connectivity and engagement.

DESIRED OUTCOMES:

- Stewardship of valued parkland;
- Alignment of community values with enforcement tools;
- Build relationships and engagement through community events;
- A strong and growing volunteer corps, investing in View Royal.

2015 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Update Parks Master Plan and explore partnerships with post-secondary institutions in this update work.	<ul style="list-style-type: none"> • The Parks Master Plan Consultation Strategy was completed and the Terms of Reference approved. An agreement was signed with Vancouver Island University for completion of the work.
Establish an Invasive Species Management Program.	<ul style="list-style-type: none"> • A review of the Burnside/Watkiss implementation plan is in process. Removal of invasive species continues at Portage Park.
Review the Streets & Traffic Bylaw.	<ul style="list-style-type: none"> • The review of the Streets & Traffic Bylaw began in December 2015; bylaw to be completed in 2016.
Review Subdivision & Development Servicing Bylaw.	<ul style="list-style-type: none"> • Review of the Subdivision & Development Servicing Bylaw is well underway; draft to be completed in 2016.
Identify events to enhance neighbourhood and community connections (e.g. Neighbourhood Nights by WSPRS; Music in the Park; Pitch-in Week; Community Celebration Day).	<ul style="list-style-type: none"> • West Shore Parks & Recreation hosted "Neighbourhood Nights" for local families in View Royal's Centennial Park every Tuesday evening during the months of July and August.
Recognize and support the volunteer sector in View Royal.	<ul style="list-style-type: none"> • The Volunteer View Royal Advisory Committee was established to provide management and planning advice to help run community projects. • Volunteer View Royal coordinated volunteer projects including invasive species removal in Portage Park and clean up work in Mellor Park.



- COMMUNITY & ECONOMIC GROWTH -

STRATEGIC PRIORITY:

- Explore creative new ways to encourage redevelopment of existing lands;
- Lead by example through investing in a high quality public realm;
- Support opportunities for local services and employment.

DESIRED OUTCOMES:

- Private investment in the redevelopment of strategic sites on significant community corridors and at gateways to View Royal because Town seen as desirable place to be;
- Engagement with business community to understand how the Town can support economic development;
- Diversified revenue base;
- Strategic municipal investment in the public realm;
- Continued implementation of the Official Community Plan (2011).

2015 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Engage a consultant to research current land economics based on possible OCP densities.	<ul style="list-style-type: none">• Progress on Economic Development in the Town of View Royal for 2015 included the Town becoming a founding funder for the new South Vancouver Island Economic Development Association (SVIEDA).• Participation and partnership with this new economic development organization represents an exciting opportunity to highlight the Town's strategic assets, especially our location and some of the remaining development opportunities here.• Further work on projects for community and economic growth will continue in 2016.
Focus on business retention and explore ways to make doing business in View Royal easier.	
Identify missing local services in neighbourhoods and significant lands where new business might consider locating.	



- MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS -

STRATEGIC PRIORITY:

- Work with others to identify cost effective sewage solutions;
- Participate in discussions about improving regional governance;
- Upgrade regional transportation system and infrastructure to meet growing needs.

DESIRED OUTCOMES:

- Continue to be a “bridge” between the “core” and “western” communities;
- Respected participant in the region;
- Recognized as a progressive and innovative municipality.

2015 INITIATIVES:

PROJECTS & INITIATIVES	OUTCOME
Complete Westside/Eastside Solutions program for sewage treatment.	<ul style="list-style-type: none"> • The Province has become involved in the process with a consultant team to be hired to shepherd the project.
Educate our residents on our existing successful shared services; establish View Royal's role/ participation in governance studies.	<ul style="list-style-type: none"> • The Town's representative participated in meetings with the Ministry of Community, Sport and Cultural Development and other local governments to gather facts about current service delivery, increase understanding about service delivery best practices and explore opportunities to better integrate service and governance.
Ensure the CRD's Regional Sustainability Strategy meets View Royal's and Region's needs.	<ul style="list-style-type: none"> • In 2015, the CRD elected to incorporate draft Regional Sustainability Strategy elements into an updated Regional Growth Strategy and/or subsidiary CRD documents.
Strengthen our relationship with Capital Regional District and First Nations through: <ul style="list-style-type: none"> • MOU for Hallowell Road with Esquimalt First Nation; • Develop relationship protocol agreements. 	<ul style="list-style-type: none"> • Council and Esquimalt Nation leadership are working to establish a productive government-to-government relationship to facilitate communication and identify opportunities for collaboration. • The E&N Rail Trail project represents an opportunity to collaborate with both Esquimalt Nation and the CRD and to begin relationship and trust building.
Advocate for improvements to regional transportation: <ul style="list-style-type: none"> • Formation of regional transportation authority; • Focus on transit park and ride; • McKenzie interchange; • Participate in an update to the CRD's Regional Transportation Plan. 	<ul style="list-style-type: none"> • The Town is participating in the review of the CRD's Regional Growth Strategy, which will guide decisions on regional issues such as regional transportation. • The Director of Engineering is participating in ongoing meetings with the Ministry of Transportation regarding the McKenzie interchange. • The annual meeting of all municipalities occurred for the upcoming transportation construction season.

LOOKING AHEAD: 2015 - 2018

A new Strategic Plan has been created for 2015 - 2018. Four new themes have been identified with each theme containing a series of priorities for the Town. Specific projects and initiatives – with timelines and resource implications – are attributed to each priority. These align with current priorities and activities already underway pursuant to the previous strategic plan.



ENHANCE LIVEABILITY IN VIEW ROYAL

- proceed with parks improvements in accordance with Parks Master Plan;
- ensure key bylaws reflect community needs;
- increase community connectivity and engagement.

Project/Initiative:	Timing:
Update the Parks Master Plan and explore partnerships with post-secondary institutions in this update work.	2016
Establish an Invasive Species Management Program.	2016
Review key public safety related bylaws: Streets & Traffic; Noise; Business Licensing; and Public Places.	2016/2017
Review the Subdivision & Development Services Standards Bylaw.	2016
Identify events to enhance neighbourhood and community connections.	2016
Develop tree canopy and urban forestry policy.	2017
Recognize and support the volunteer sector in View Royal.	2016
Explore the development of a heritage policy.	2017

FINANCIAL SUSTAINABILITY AND SERVICE EXCELLENCE

- ensure we are providing quality services to our residents on a cost effective basis;
- focus on a Capital Asset Management program.

Project/Initiative:	Timing:
Complete service review to define service levels and resource requirements for each	2016
Complete Fees and Charges Bylaw review to ensure alignment with selected service levels.	2016
Complete a comprehensive Capital Asset Management plan.	2016/2017

COMMUNITY AND ECONOMIC GROWTH

- explore creative ways to encourage redevelopment of existing lands;
- pursue investment in a high quality public realm within the Town;
- support opportunities for local services and employment.

Project/Initiative:	Timing:
Research current land economics based on possible OCP densities.	2016
Identify development barriers for key redevelopment sites.	2016/2017
Identify possible “carrots” and “sticks” to encourage redevelopment of key sites.	2016
Meet with key property owners.	2016
Work toward completion of the Island Hwy Project including the establishment of a timeline for the Island Hwy redevelopment.	2016-2018
Upon completion of review of Subdivision and Development Services Standards Bylaw, develop urban design standards to support municipal investment in the public realm.	2017
Focus on business retention and explore ways to make doing business in View Royal easier.	2016
Identify missing local services in neighbourhoods and significant lands where new business might consider locating.	2017
Develop an Economic Development Strategy, including tourism opportunities.	2017

MAINTAIN STRONG RELATIONSHIPS WITH OUR NEIGHBOURS

- work with others to identify cost effective sewage solutions;
- participate in discussion about improving regional government;
- upgrade regional. Transportation system and infrastructure to meet growing needs.

Project/Initiative:	Timing:
Complete Westside/Eastside Solutions program for sewage treatment.	2016
Educate our residents on our existing successful shared services and establish View Royal's role/participation in regional studies.	2016
Ensure CRD's Regional Growth Strategy meets View Royal's needs.	2016
Strengthen our relationship with Capital Regional District and First Nations.	2016-2017
Advocate for improvements to regional transportation.	2016-2017



TOWN OF VIEW ROYAL

FINANCIAL INFORMATION

Fiscal Year Ended December 31, 2015

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Statement of Financial Information Approval

For the year ended December 31, 2015

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*.



Michael Dillabaugh, CPA, CA
Director of Finance
date



On behalf of Council,
David Screech, Mayor
date

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

Consolidated Financial Statements of

TOWN OF VIEW ROYAL

Year ended December 31, 2015

TOWN OF VIEW ROYAL

Consolidated Financial Statements

Year ended December 31, 2015

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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 Chartered Professional Accountants Canada. 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 Hayes Stewart Little & Company Chartered Professional Accountants, 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 tests 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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of
THE TOWN OF VIEW ROYAL

Report on Consolidated Financial Statements

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, 2015, the consolidated statement of operations, change in net financial assets and cash flows for the year then ended, and 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. These 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 of material misstatement, whether due to fraud or error.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's 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, the auditor considers 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 evaluation of the overall presentation of the consolidated financial statements, whether due to fraud or error.

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, 2015, 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.

Hayes Stewart Little & Co.

Victoria, BC
May 3, 2016

Chartered Professional Accountants

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Victoria, BC V8W 3E9
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TOWN OF VIEW ROYAL

Consolidated Statement of Financial Position


December 31, 2015, with comparative information for 2014

	2015	2014 (restated note 17)
Financial assets:		
Cash and temporary investments (note 5)	\$ 16,186,579	\$ 15,051,777
Taxes receivable	147,801	214,105
Accounts receivable	1,580,690	1,913,907
Assets held for sale (note 6)	272,315	100,000
	<u>18,187,385</u>	<u>17,279,789</u>
Financial liabilities:		
Accounts payable and accrued liabilities	3,456,688	3,874,047
Deposits	1,951,220	1,474,225
Deferred revenue (note 7)	6,505,709	5,855,813
Prepaid property taxes	382,085	346,662
Long-term debt (note 8)	7,232,118	7,564,405
Employee future benefit obligations (note 9)	182,279	189,168
	<u>19,710,099</u>	<u>19,304,320</u>
Net financial assets	<u>(1,522,714)</u>	<u>(2,024,531)</u>
Non-financial assets :		
Tangible capital assets (note 10)	121,817,790	122,536,115
Inventory of supplies	6,112	9,863
Prepaid expenses	252,553	350,590
	<u>122,076,455</u>	<u>122,896,568</u>
Accumulated surplus (note 11)	<u>\$ 120,553,741</u>	<u>\$ 120,872,037</u>

Commitments and contingencies (note 13)

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

Approved by:



M. Dillabaugh, CPA, CA
Director of Finance

TOWN OF VIEW ROYAL

Consolidated Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Financial plan	2015	2014
	(note 15)		(restated note 17)
Revenues:			
Taxation, net (note 12)	\$ 6,904,870	\$ 6,909,917	\$ 6,409,391
User charges	2,713,145	2,832,289	2,763,682
Government transfers:			
Provincial	2,570,401	2,596,365	2,275,633
Federal	167,750	7,102	350,722
Municipal and other	307,895	33,756	11,799
Investment income	100,000	190,261	200,294
Actuarial Adjustment to debt	-	21,838	11,122
Penalties and fines	53,550	56,988	75,517
Development charges earned	294,500	106,116	92,346
Contributions from developers and others	300,000	19,562	190,734
Other revenue from own sources	994,195	132,470	121,565
Total revenues	14,406,306	12,906,664	12,502,805
Expenses:			
General government	2,122,749	1,958,043	1,930,931
Protective services	3,593,188	3,185,435	3,071,013
Transportation services	4,542,184	4,057,260	3,716,967
Environmental health services	1,340,947	887,400	784,711
Planning and development	420,159	385,596	388,732
Recreation and cultural	2,654,690	2,751,226	2,510,043
Total expenses	14,673,917	13,224,960	12,402,397
Annual (deficit) surplus	(267,611)	(318,296)	100,408
Accumulated surplus, beginning of year	120,872,037	\$ 120,872,037	120,771,629
Accumulated surplus, end of year (note 11)	\$ 120,604,426	\$ 120,553,741	\$ 120,872,037

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, 2015, with comparative information for 2014

	Financial plan	2015	2014
	(note 15)		(restated note 17)
Annual (deficit) surplus	\$ (267,611)	\$ (318,296)	\$ 100,408
Acquisition of tangible capital assets	(2,643,298)	(1,514,160)	(6,684,857)
Contributions of tangible capital assets	-	(283,000)	(90,394)
Amortization of tangible capital assets	2,746,500	2,630,706	2,641,302
(Gain) Loss on disposal and write-down of tangible capital assets		(593)	2,796
Proceeds on sale of tangible capital assets	-	30,000	5,000
Write-downs of tangible capital assets		4,501	100,000
Change in proportionate share of West Shore	-	(149,128)	(79,035)
	103,202	718,326	(4,105,188)
Acquisition and consumption of inventory of supplies	-	3,751	(697)
Acquisition and consumption of prepaid expenses	-	98,036	(287,576)
Change in net financial assets	(164,409)	501,817	(4,293,053)
Net financial assets, beginning of year	(2,024,531)	(2,024,531)	2,268,522
Net financial assets, end of year	\$ (2,188,940)	\$ (1,522,714)	\$ (2,024,531)

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, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (318,296)	\$ 100,408
Items not involving cash:		
Amortization of tangible capital assets	2,630,706	2,641,302
Loss on disposal and write-down of tangible capital assets	3,907	102,796
Contributions of tangible capital assets	(283,000)	(90,394)
Change in employee benefits obligations	(6,889)	31,464
Change in proportionate share of West Shore	(149,128)	(79,035)
Actuarial adjustment on debt	(21,838)	(11,122)
Changes in non-cash operating assets and liabilities:		
Assets held for resale	(172,315)	(100,000)
Accounts receivable	333,217	(239,231)
Taxes receivable	66,304	(3,046)
Accounts payable and accrued liabilities	(417,359)	818,084
Deposits	476,995	681,670
Deferred revenue	649,897	234,001
Prepaid property taxes	35,423	66,575
Inventory of supplies	3,751	(697)
Prepaid expenses	98,036	(287,576)
	2,929,411	3,865,199
Capital activities:		
Proceeds on sale of tangible capital assets	30,000	5,000
Acquisition of tangible capital assets	(1,514,160)	(6,684,857)
	(1,484,160)	(6,679,857)
Financing activities:		
Debt issued	-	3,540,000
Debt repaid	(310,449)	(134,173)
	(310,449)	3,405,827
Increase in cash and cash equivalents	1,134,802	591,169
Cash and temporary investments, beginning of year	15,051,777	14,460,608
Cash and temporary investments, end of year	\$ 16,186,579	\$ 15,051,777

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, 2015

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 principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada. 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 7.

(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. Expenses paid in the current period and attributable to a future period are recorded as prepaid.

(c) Revenue recognition:

- (i) Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- (ii) Sale of services and user fee revenues are recognized when the service or product is rendered by the Town and the amounts are received or become receivable.
- (iii) Grant revenues are recognized when the funding becomes receivable.
- (iv) Revenue unearned in the current period is recorded as deferred revenue.
- (v) 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, 2015

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.

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) Cash and temporary investments:

Cash and temporary investments include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market, Intermediate, and Short-Term Bond that are recorded at cost plus earnings reinvested in the funds, which at December 31, 2015 would approximate market value. These temporary investments consist of cash on deposit in the MFA investment funds that are highly liquid, readily convertible to cash, and are subject to an insignificant risk of change in value.

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) Deposits:

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

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(g) Long-term debt:

Long-term debt is recorded net of related actuarial adjustments and principal repayments.

(h) Employee future benefits:

The Town and its employees make contributions to the Municipal Pension Plan. The Town's contributions are expensed as incurred and are included within the Statement of Operations.

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.

(i) 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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(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	Indefinite
Land improvements	15 - 25
Buildings	20 - 70
Vehicles, machinery and equipment	3 - 20
Engineering structures	10 - 100

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

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

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) 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 due to the subjectivity of their value.

(iv) Interest capitalization:

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

(v) 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.

(vi) Inventory of supplies:

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

(j) 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 areas requiring the use of management estimates relate to the determination of accrued sick benefits liability, collectability of accounts receivable, amortization of capital assets, determination of liability for contaminated sites, deferred charges and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

2. Adoption of new accounting policy:

On January 1, 2015, the Town adopted PS 3260 Liability for Contaminated Sites. The standard was applied on a retroactive basis to January 1, 2014 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the Town. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Any liability is recorded net of expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; the Town is directly responsible or accepts responsibility; and a reasonable estimate of the amount can be made. Please refer to note 14 for further information.

3. Financial instruments:

The Town's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, deposits, and long-term debt. The carrying amount of these financial instruments approximates their fair value because they are short-term in nature or because they bear interest at market rates.

Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest or credit risks arising from these financial instruments.

4. Future accounting changes:

(a) PS 3450 – Financial instruments:

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted when adopting Sections PS 1201 and PS 2601.

(b) PS 2601 – Foreign currency translation:

This section revises and replaces the existing Section PS 2600 Foreign currency translation. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

(c) PS 1201 – Financial statement presentation:

This section revises and replaces the existing Section PS 1200 Financial statement presentation. This section applies to fiscal years beginning on or after April 1, 2019, with early adoption permitted.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

4. Future accounting changes (continued):

(d) PS 2200 – Related party transactions:

This section defines a related party and establishes disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated. This Section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

(e) PS 3420 – Inter-entity transactions:

This section establishes how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. This Section applies to fiscal years beginning on or after April 1, 2017, with early adoption permitted.

5. Cash and temporary investments:

	2015	2014
Bank deposits	\$ 1,216,300	\$ 2,593,944
Municipal Finance Authority – Money Market	3,899,293	1,874,935
Municipal Finance Authority – Intermediate	2,896,659	1,620,044
Municipal Finance Authority – Short-Term Bond	8,174,327	8,962,854
	\$ 16,186,579	\$ 15,051,777

Temporary investments consist of short-term investments in the MFA money market, intermediate, and short-term bond funds. The market value is equal to the carrying value. Temporary investments have yields ranging from 0.85% to 2.47%.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

5. Cash and temporary investments (continued):

Included in cash and temporary investments are the following restricted amounts:

	2015	2014
Restricted cash – MFA	\$ 85,734	\$ 83,594
Restricted cash – West Shore reserve funds	276,852	291,684
Restricted investments – reserve funds	3,164,815	2,700,479
Restricted investments – development cost charges	4,486,734	4,269,564
	<u>\$ 8,014,135</u>	<u>\$ 7,345,321</u>

The Town has an operating line of credit with the Toronto Dominion Bank an authorized amount of \$1,000,000, bearing interest at bank prime rate plus 0.25% per annum. At December 31, 2015 the balance outstanding was \$nil.

6. Assets held for sale:

Total assets held for sale of the year was \$272,315 (2014 - \$100,000). Assets held for sale consist of a parcel of land that is no longer in use and has been placed for sale. The asset has been reclassified from a tangible capital asset to an asset held for sale.

7. 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 disbursement of the 55% is netted against the revenue in the financial statements for the Town and is disclosed below as a disbursement to other municipal partners.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

7. Deferred revenue (continued):

	2015	2014
Gaming revenue:		
Deferred net gaming revenue, beginning of year	\$ 790,641	\$ 886,399
Amounts received during the year	4,085,166	3,877,220
Disbursements:		
Eligible expenditures	(1,825,876)	(1,840,507)
Other municipal partners	(2,246,841)	(2,132,471)
Deferred net gaming revenue, end of year	803,090	790,641
Federal Gas Tax Agreement Funds:		
Deferred gas tax agreement funds, beginning of year	175,795	87,509
Amounts received during the year	433,631	433,631
Interest earned	3,739	2,025
Eligible expenses	(4,176)	(347,370)
Deferred gas tax agreement funds, end of year	608,989	175,795
Development cost charges:		
Deferred development cost charges, beginning of year	4,269,564	4,173,115
Amounts received during the year	228,262	88,236
Interest earned	95,024	100,559
Eligible expenses	(106,116)	(92,346)
Deferred development cost charges, end of year	4,486,734	4,269,564
Deferred revenue - other	606,896	619,813
Total deferred revenue	\$ 6,505,709	\$ 5,855,813

8. 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 of \$nil (2014 – \$10,571).

(b) Debt outstanding:

MFA Issue Number	Interest rate	Maturity date	Originally Approved	Net debt 2015	Net debt 2014
117	3.25%	Oct 12, 2026	\$2,445,000	\$1,926,482	\$2,063,834
127	3.30%	Apr 7, 2034	5,490,000	5,305,636	5,490,000
West Shore Parks & Recreation				-	10,571
				\$7,935,000	\$7,564,405

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

8. 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. Debt is issued on a sinking fund basis, where the MFA invests the Town's sinking fund principal 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 principal repayments.

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

	Total
2016	\$ 306,470
2017	306,470
2018	306,470
2019	306,470
2020	306,470

(d) Interest expense:

Total interest expense during the year was \$260,633 (2014 - \$222,599).

9. Employee future benefit obligations:

Employee benefit obligations represent accrued benefits as follows:

	2015	2014
Vacation payable	\$39,388	\$45,689
Accrued overtime	14,563	28,182
Sick leave entitlements	73,100	64,400
West Shore employee future benefit obligations	55,228	50,897
	\$182,279	\$189,168

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

9. Employee future benefit obligations (continued):

Accrued vacation is the amount of unused vacation entitlement carried forward into the next year. Accrued sick leave is the estimated liability for sick leave for all employees. Sick leave entitlements can only be used while employed by the Town and are not paid out upon retirement or termination of employment. The accrued sick leave cost was estimated by an actuarial valuation completed effective for December 31, 2015.

Information about liabilities for accrued sick leave is as follows:

	2015	2014
Accrued benefit liability, beginning of year	\$64,400	\$53,000
Current service cost	7,600	8,200
Interest cost	2,000	2,800
Benefits paid	(400)	(200)
Amortization of actuarial (gain) loss	(500)	600
Accrued benefit liability, end of year	\$73,100	\$64,400

	2015	2014
Accrued benefit liability, end of year	73,100	64,400
Unamortized gain	(7,400)	(7,900)
Accrued benefit obligation, end of year	\$65,700	\$56,500

The accrued benefit liability is included as part of employee benefit obligations on the Statement of Financial Position. The actuarial gain is amortized over a period equal to the employees' average remaining service lifetime of 13 years.

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

	2015	2014
Discount rates	3.20%	3.20%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58 to 4.50%	2.58 to 4.50%

Municipal Pension Plan:

The Town and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2015 the plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local government and 31 contributors from the Town.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

9. Employee future benefit obligations (continued):

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation of the Municipal Pension Plan as of December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The Town paid \$233,545 for employer contributions to the plan in fiscal 2015, which represents 0.014 percent of the total plan contributions. The Town expects to pay \$256,954 for employer contributions in the next fiscal year.

The next valuation will be as at December 31, 2015 with results available in 2016.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Town paid \$233,545 (2014 - \$225,481) for employer contributions while Town employees contributed \$203,733 (2014 - \$198,092) to the plan in fiscal 2015.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

10. Tangible capital assets:

	Cost (Dec 31, 2014)	Additions	Disposals/ Write-downs/ Change in West Shore ownership	Cost (Dec 31, 2015)	Accumulated Amortization (Dec 31, 2014)	Disposals/ Change in West Shore ownership	Amortization	Accumulated Amortization (Dec 31, 2015)	Net Book Value (Dec 31, 2014)	Net Book Value (Dec 31, 2015)
Land	\$ 38,066,510	\$946,742	\$ -	\$39,013,252	\$ -	\$ -	\$ -	\$ -	\$ 38,066,510	\$ 39,013,252
Land Improvements	2,968,340	565,369	36,501	3,497,208	1,689,425	26,896	113,018	1,775,547	1,278,915	1,721,661
Buildings	4,708,636	5,896,301	440,959	10,163,978	2,366,637	440,959	118,670	2,044,348	2,341,999	8,119,630
Vehicles										
Machinery and Equipment	5,185,167	778,105	244,644	5,718,628	2,892,012	229,645	277,910	2,940,277	2,293,155	2,778,351
Engineering Structures - General	77,150,015	502,074	5,000	77,647,089	22,011,429	4,815	1,818,723	23,825,337	55,138,586	53,821,752
Engineering Structures - Sewer	12,111,723			12,111,723	2,606,135	-	128,438	2,734,573	9,505,588	9,377,150
Work In Progress	7,124,203	40,578	6,978,080	186,701	-	-	-	-	7,124,203	186,701
West Shore	9,024,977	41,569	(179,585)	9,246,131	2,237,818	(35,073)	173,947	2,446,838	6,787,159	6,799,293
	\$ 156,339,571	\$8,770,738	\$7,525,599	\$157,584,710	\$ 33,803,456	\$667,242	\$2,630,706	\$35,766,920	\$ 122,536,115	\$ 121,817,790

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

10. Tangible capital assets (continued):

- (a) Assets under construction and completed assets not yet in service:

Assets under construction totaling \$186,701 (2014 - \$7,124,202) 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 \$283,000 (2014 - \$90,394).

- (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) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was \$nil (2014 - \$nil).

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

11. Accumulated surplus:

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

	2015	2014
		(note 17)
Surplus:		
Equity in tangible capital assets	\$ 114,595,605	\$ 114,975,051
Unrestricted general fund surplus	1,562,744	1,364,780
Unrestricted sewer fund surplus	953,726	1,540,042
Total surplus	117,112,075	117,879,873
Reserve funds set aside for specific purposes by Council:		
Capital Works and Land Acquisition	232,368	170,435
Fire Department Equipment	165,193	222,919
Machinery and Equipment Depreciation	85,910	64,327
Municipal Roads Capital	28,250	27,662
Parks and Open Space	355,038	327,851
Parks and Recreation Equipment	165,845	137,650
Police Equipment, Property and Contract	627,888	612,832
Police Operation and Maintenance	720,672	445,109
Road Trust	122,326	119,779
Sewer System Capital	692,297	694,430
Sewer System Equipment Replacement	118,231	105,873
Tax Sale Land	8,796	8,613
Internal borrowing	(158,000)	(237,000)
West Shore reserves	276,852	291,684
Total reserve funds	3,441,666	2,992,164
	\$ 120,553,741	\$ 120,872,037

Interest on internal borrowing is calculated and funded annually by the general fund. As a result the internal borrowing has no impact on the annual investment interest allocated to the reserves.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

12. 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.

	2015	2014
Taxes:		
Property taxes	\$ 13,689,268	\$ 13,012,553
Revenues in lieu of taxes	197,908	186,157
1% utility taxes	127,398	124,207
	14,014,574	13,322,917
Less taxes levied for other authorities:		
School authorities	4,211,152	4,256,287
Capital Regional District	1,443,009	1,194,507
Capital Regional Hospital District	648,464	658,577
BC Transit	667,775	666,500
BC Assessment Authority	133,824	137,229
Municipal Finance Authority	433	426
	7,104,657	6,913,526
Net taxes available for municipal purposes	\$ 6,909,917	\$ 6,409,391

13. 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, 2015

13. 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 delay claim has been initiated against the Town alleging significant financial losses by the claimant as a result of alleged construction delays caused by the Town. No litigation has commenced regarding this matter. The Town has denied this claim and is vigorously defending the claim. As a final outcome of the claim and the potential financial impact to the Town is not determinable, the Town has not recorded any provision for this matter in the financial statements as at December 31, 2015.

A lawsuit has been initiated against the Town as well as others alleging significant financial losses by the claimant arising from building deficiencies. The claimant is seeking general and special damages. As the final outcome of the legal action and the potential financial impact to the Town is not determinable, the Town has not recorded any provision for this matter in the financial statements as at December 31, 2015.

- (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, 2015 there were contingent demand notes of \$204,201 (2014 - \$204,201).
- (e) The Town entered into a long-term contract with the Federal Government and the Royal Canadian Mounted Police for the provision of police services. Under the terms of this contract, the Town is responsible for 70% of policing costs. The 2016 estimated cost of this contract is \$1,574,283. RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. As the final outcome of the legal action and the potential financial impact to the Town is not determinable, the Town has not recorded any provision for this matter in the financial statements as at December 31, 2015.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

13. Commitments and contingencies (continued):

- (f) The Town has purchase orders in the amount of \$58,750 open as at December 31, 2015 which have not been recorded. A portion of deferred revenue has been set aside as funding for these obligations for future expenditures. These amounts will be recorded in the period the goods and services, to which they relate, are received.

14. Contaminated site:

The Town owns one property not in productive use with levels of contamination exceeding current environmental standards. Testing of the contamination in 2003 found no known threats to human health or safety. The property is surrounded by the ocean and undeveloped privately owned land with no current development applications. The property and surrounding privately owned land were historically occupied by a plywood mill. Due to uncertainty regarding the future development of the surrounding private property, the Town is unable to reasonably estimate what, if any, loss of future economic benefits will occur. As such no liability has been recorded in the financial statements for the year ending December 31, 2015.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

15. Financial plan data:

The budget data presented in these consolidated financial statements is based upon the 2015 operating and capital budgets approved by Council on May 5, 2015, 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.

	Financial plan amount
Revenues:	
Financial plan	\$13,580,638
West Shore	825,668
Total revenues	14,406,306
Expenses:	
Financial plan	13,843,070
West Shore	830,847
Total expenses	14,673,917
Annual deficit	\$(267,611)

The annual deficit above represents the planned results of operations prior to budgeted transfers between reserve funds, debt repayments and capital expenditures. Interdepartmental revenues and expenses, having no net impact on the annual surplus, have been removed from the financial plan balances to conform to the presentation required.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2014

16. 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 2015, the Town's share of improvements purchased by the Society on its behalf is \$nil (2014 - \$nil).

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 2015, the Town recorded a gain of \$149,128 (2014 - a gain of \$79,035).

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 ranged through 2015.

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, 2015

16. 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 2015, the Town's proportion for consolidation purposes was 14.591% (2014 - 14.285%). Condensed financial information for the Society is as follows:

	2015	2014
Financial assets	\$ 3,414,023	\$ 3,316,805
Financial liabilities	2,422,204	2,106,272
Net financial assets	991,819	1,210,533
Non-financial assets	905,600	853,693
Accumulated surplus	\$ 1,897,419	\$ 2,064,226
Revenues	\$ 6,433,559	\$ 5,862,973
Requisition for members	4,844,916	4,762,205
	11,278,475	10,625,178
Expenses	11,445,282	10,321,858
Annual (deficit) surplus	\$ (166,807)	\$ 303,320

17. Comparative figures:

Certain comparative figures have been adjusted to record land received in 2013 and 2007. An adjustment has been recorded to increase tangible capital assets and accumulated surplus in the amount of \$850,000. The adjustment has no impact on the annual surplus, reserves, change in net financial assets or cash flows in the years presented.

18. 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, 2015

18. 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. Transportation also includes the design, inspection, and maintenance of the storm drain collection systems.

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).

Planning and development services

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

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 as well as the Town's financial contribution to the services provided by the Greater Victoria Public Library and the Town's portion of West Shore Parks and Recreation Society.

Statement of segmented information

The following statement provides additional financial information for the foregoing functions. Certain allocation methodologies have been employed in the preparation of the segmented financial information. Taxation is apportioned based on budgeted taxation revenue as presented in the consolidated financial plan.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

18. Segmented information (continued):

2015	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and Cultural Services	Total
Revenues:							
Taxation	\$ 966,389	\$ 2,788,311	\$ 2,437,220	\$ -	\$ 394,276	\$ 323,721	\$ 6,909,917
User charges	9,818	308,348	85,525	1,213,166	351,589	863,843	2,832,289
Developer charges earned	-	-	106,116	-	-	-	106,116
Contributions from developers and others	9,562	-	-	-	-	10,000	19,562
Other revenue from own sources	16,268	66,135	-	-	-	50,067	132,470
Investment income	99,579	23,298	8,986	47,832	-	10,566	190,261
Penalties and fines	56,988	-	-	-	-	-	56,988
Actuarial adjustment to debt	-	21,838	-	-	-	-	21,838
Government transfers	681,272	308,968	362,726	-	-	1,284,257	2,637,223
Total revenues	1,839,876	3,516,898	3,000,573	1,260,998	745,865	2,542,454	12,906,664
Expenses:							
Salaries, wages, and benefits	1,026,833	1,304,295	357,269	50,366	355,873	1,302,258	4,396,894
Contracted and general services	368,488	1,214,455	1,634,019	571,301	10,268	621,983	4,420,514
Materials, supplies, and utilities	61,917	101,409	202,010	40,544	1,813	181,566	589,259
Other	376,393	146,803	18,368	12,355	14,985	507,178	1,076,082
Amortization	124,412	157,840	1,845,594	212,834	2,657	287,369	2,630,706
Change in proportionate share of West Shore	-	-	-	-	-	(149,128)	(149,128)
Debt services	-	260,633	-	-	-	-	260,633
Total expenses	1,958,043	3,185,435	4,057,260	887,400	385,596	2,751,226	13,224,960
Annual surplus (deficit)	\$ (118,167)	\$ 331,463	\$ (1,056,687)	\$ 373,598	\$ 360,269	\$ (208,772)	\$ (318,296)

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

18. Segmented information (continued):

2014	General Government	Protective Services	Transportation Services	Environmental Health Services	Planning and Development Services	Recreation and Cultural Services	Total
Revenues:							
Taxation	\$ 787,619	\$ 2,166,725	\$ 2,875,337	\$ -	\$ 356,351	\$ 223,359	\$ 6,409,391
User charges	8,493	296,166	129,355	1,153,616	394,785	781,267	2,763,682
Developer charges earned	8,415	-	4,306	-	-	79,625	92,346
Contributions from developers and others	21,678	-	86,059	4,335	-	78,662	190,734
Other revenue from own sources	7,348	61,310	-	-	-	52,907	121,565
Investment income	96,297	17,065	20,004	54,523	-	12,405	200,294
Penalties and fines	75,517	-	-	-	-	-	75,517
Actuarial adjustment to debt	-	11,122	-	-	-	-	11,122
Government transfers	427,257	252,948	1,023,559	-	-	934,390	2,638,154
Total revenues	1,432,624	2,805,336	4,138,620	1,212,474	751,136	2,162,615	12,502,805
Expenses:							
Salaries, wages, and benefits	1,120,784	1,176,720	330,581	46,527	358,554	1,238,828	4,271,994
Contracted and general services	261,706	1,246,348	1,397,363	457,613	17,049	555,735	3,935,814
Materials, supplies, and utilities	50,527	92,552	182,530	34,514	1,281	163,316	524,720
Other	354,354	126,619	10,602	21,257	9,191	362,981	885,004
Amortization	143,560	206,175	1,795,891	224,800	2,657	268,218	2,641,301
Change in proportionate share of West Shore Debt services	-	-	-	-	-	(79,035)	(79,035)
Total expenses	1,930,931	3,071,013	3,716,967	784,711	388,732	2,510,043	12,402,397
Annual surplus (deficit)	\$ (498,307)	\$ (265,677)	\$ 421,653	\$ 427,763	\$ 362,404	\$ (347,428)	\$ 100,408

TOWN OF VIEW ROYAL

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2015

19. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year financial statement presentation.

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

Year ended December 31, 2015

Supplier Name	Aggregated amount paid to supplier
AON REED STENHOUSE	40,273
ASSOCIATED ENGINEERING(B.C.)LTD	33,730
BC ASSESSMENT	133,319
BC HYDRO	158,472
BC TRANSIT	654,150
BLACK PRESS GROUP LTD	26,992
CAPITAL CITY PAVING LTD	215,512
CAPITAL REGIONAL DISTRICT- ACCOUNTS	2,484,794
CAPITAL REGIONAL DISTRICT WATER DEPARTMENT	127,427
CAPITAL REGIONAL HOSPITAL DISTRICT	648,658
CITY OF COLWOOD	25,223
CITY OF LANGFORD	966,664
CITY OF LANGFORD - IN TRUST	1,620,068
CORPORATION OF THE TOWNSHIP OF ESQUIMALT	102,369
CREST	36,201
DISTRICT OF SAANICH	80,117
DUNCAN ELECTRIC MOTOR LTD	39,246
FIVE STAR PAVING CO LTD	207,579
G & E. CONTRACTING LP	182,462
GREATER VICTORIA PUBLIC LIBRARY	488,154
HARRIS & COMPANY	45,011
JENNER CHEVROLET BUICK GMC LTD	26,236
LEDOR CONSTRUCTION LIMITED	1,231,464
MINISTER OF FINANCE	2,335,392
MONK OFFICE	123,012
MUNICIPAL PENSION PLAN	420,769
MYRA SYSTEMS CORP	27,405
NOVUS CONSULTING INC	104,596
PACIFIC BLUE CROSS	138,340
PHOENIX LAW CORPORATION	29,997
R.G. Excavating Ltd.	165,900
RAYLEC POWER LTD	118,929
RECEIVER GENERAL FOR CANADA	713,720
RECEIVER GENERAL FOR CANADA - RCMP POLICING	769,693
RECEIVER GENERAL FOR CANADA-RCMP E DIVISION HQ	49,555
ROCKY MOUNTAIN PHOENIX	167,122
SCHO'S LINE PAINTING LTD	43,839
TOMAHAWK TREE SERVICE (2006) LTD	37,275
US BANK - VISA	94,341

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

Year ended December 31, 2015

Supplier Name	Aggregated amount paid to supplier
VICTORIA CONTRACTING & MUNICIPAL MTC CORP	1,140,967
WASTE MANAGEMENT OF CANADA CORP.	398,717
WEST SHORE PARKS & REC. SOCIETY	716,206
WORKERS' COMPENSATION BOARD OF BC	27,094
Total of aggregate payments exceeding \$25,000	17,196,991
Consolidated total of payments of \$25,000 or less	1,529,244
Total aggregate payments to suppliers	\$18,726,236
Grants exceeding \$25,000	
SHORELINE COMMUNITY SCHOOL ASSOCIATION	30,000
VIEW ROYAL READING CENTRE	28,000
Contributions exceeding \$25,000	
VIEW ROYAL FIREFIGHTERS ASSOCIATION	47,900
Consolidated total of all grants and contributions exceeding \$25,000	105,900
Consolidated total of all grants and contributions \$25,000 or less	28,405
Total aggregate grants and contributions	\$134,305
Total aggregate payments to suppliers	18,726,236
Total aggregate grants and contributions	134,305
Total per Statement of Revenue and Expenditure	13,224,960
Variance *	\$5,635,581

* 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, 2015

Elected Officials				
	Remuneration	Expenses	Total	
Screech, David	25,530	6,723	32,253	
Rast, Heidi	12,240	4,214	16,454	
Rogers, John	12,240	4,283	16,523	
Mattson, Ron	12,240	3,179	15,419	
Weisgerber, Aaron	12,240	3,359	15,599	
	\$ 74,490	\$ 21,757	\$ 96,247	
Employees				
	Remuneration	Expenses	Total	
Anema, Kim				Expenses (Note 1)
Becelaere, Deb		\$ 156,838	\$ 8,401	
Bevan, Heath		102,566	1,532	
Brown, David		104,279	620	
Calla, Enzo		101,493	1,952	
Chase, Lindsay		79,575	990	
Chow, Jeffrey		114,731	7,080	
Davison, James		87,747	2,184	
Faykes, Gary		78,727	3,344	
Hurst, Paul		76,081	4,391	
Jones, Sarah		130,623	5,525	
Marshall, Rob		123,633	3,926	
Mollin, Troy		105,085	2,449	
Pitre, Geoffrey		101,419	1,709	
Podmoroff, David		82,152	243	
Rosenberg, John		89,704	1,315	
Woodley, Darryl		110,659	6,909	
		85,817	145	
		966,427	29,661	
	\$ 2,697,554	\$ 82,375		

Summary

	Remuneration and wages	Expenses
Elected Officials	\$ 74,490	\$ 21,757
Employees	\$ 2,697,554	\$ 82,375
TOTAL	\$ 2,772,044	\$ 104,132

Total wages from 2015 T4's

\$ 2,772,044

Note 1: expenses include payments made for travel, training, seminars, education, professional dues and other expenses related to their position.

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

Statement of Guarantee and Indemnity Agreements

Year ended December 31, 2015

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

Prepared under the Financial Information Regulation, Schedule 1, subsection 5(3) and 5(4)

Statement of Severance Agreements

Year ended December 31, 2015

There were no severance agreements under which payments commenced between the Town of View Royal and an employee during the fiscal year 2015.

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

Statement of Permissive Tax Exemptions (Unaudited)

Year ended December 31, 2015

Organization	Folio	Municipal Property Tax
Places of public worship		
All Saints Church - 287 Palliser Ave	401-04412.018	\$ 4,260.38
St. Columba Church - 40 High Street	401-07654.010	\$ 2,662.29
Community activity centres		
Strawberry Vale Community Hall - 11 High Street	401-07647.010	\$ 4,495.38
View Royal Community Hall - 279 Island Highway	401-04399.010	\$ 4,041.43
Not for profit organizations		
Island Corridor Foundation		
PID 023-005-459; Sections 6, 97, and 103: Plan VIP60330	401-18806.000	\$ 4,637.86
PID 011-825-871;014-980-258;024-036-021;024-039-209;024-839-957	401-18807.000	\$ 7,801.62
PID 011-825-871;014-980-258;024-036-021;024-039-209;024-839-957	401-18807.000	\$ 6.17
PID 024-635-987; Lot 1, Sections 8 & 27; Plan VIP69799	401-18807.002	\$ 247.27
Recreational property		
Victoria Bowmen Association		
PID 000-345-644; Part of Section 6 Plan VIP7133; Area of 1,940 m2	401-07684.041	\$ 1,820.83
		\$ 29,973.23

Statement of Development Cost Charges (DDC)

Year ended December 31, 2015

	Balance January 1	Transfer to Projects	DCC's Received	Interest Earned	Balance December 31
Drainage DCC	\$ 818,555	\$ 97,500	\$ 35,572	\$ 17,831	\$ 774,458
Highways DCC	1,817,859	8,616	(96,102)	41,304	1,754,445
Park Improvement DCC	51,697		40,553	1,314	93,564
Park Land DCC	475,322		101,316	10,646	587,284
Sewer DCC	1,106,131		146,923	23,929	1,276,983
	\$ 4,269,564	\$ 106,116	\$ 228,262	\$ 95,024	\$ 4,486,734

Statistical Information (Unaudited)

Taxable Assessments of Land and Improvements - Final Roll Totals

	2011	2012	2013	2014
Residential	1,669,838,002	1,703,860,702	1,688,392,103	1,688,507,203
Utilities	371,900	379,500	376,200	377,200
Light Industry	-	-	2,074,000	2,298,000
Business	138,540,900	154,482,400	155,824,400	165,285,450
Rec/Non Profit	6,450,000	6,529,000	6,526,000	6,221,000
Farm	71,218	71,218	71,218	60,496
	1,815,272,020	1,865,322,820	1,853,263,921	1,862,749,349

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

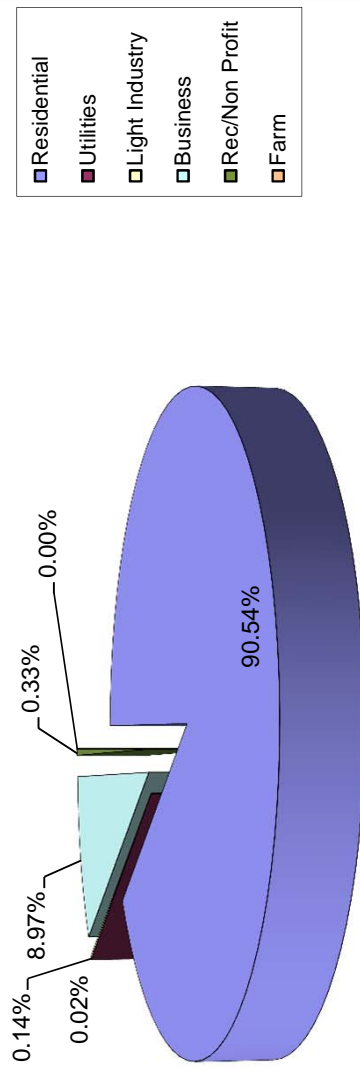
	2011	2012	2013	2014
Residential	2.24943	2.35161	2.52342	2.66124
Utilities	29.78246	30.23178	31.70102	33.05331
Light Industry	-	-	8.81447	8.31667
Business	8.81214	8.55460	8.81447	9.18848
Rec/Non Profit	8.81214	8.49933	8.83896	9.08049
Farm	18.79399	19.46739	20.23598	21.15469

Municipal Property Tax Billings by Property Class

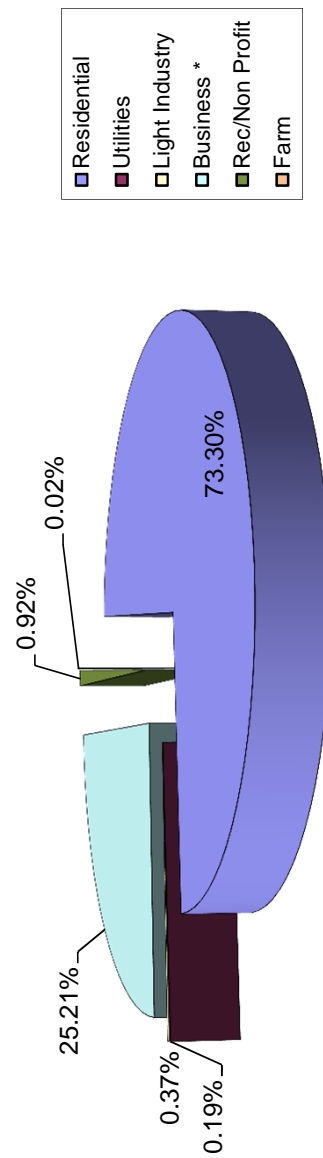
	2011	2012	2013	2014
Residential	\$ 3,756,184	\$ 4,006,816	\$ 4,260,522	\$ 4,493,523
Utilities	\$ 11,076	\$ 11,473	\$ 11,926	\$ 12,468
Light Industry	\$ -	\$ -	\$ 18,281	\$ 19,112
Business *	\$ 1,220,842	\$ 1,321,535	\$ 1,373,509	\$ 1,518,722
Rec/Non Profit	\$ 56,838	\$ 55,492	\$ 57,683	\$ 56,490
Farm	\$ 1,338	\$ 1,386	\$ 1,441	\$ 1,280
	\$ 5,046,278	\$ 5,396,702	\$ 5,723,362	\$ 6,101,595

Statistical Information (continued)

2015 Assessments by Property Class



2015 Municipal Property Tax by Property Class



Statistical Information (continued)

Long Term Debt and Capital Lease Obligations (Unaudited)

	2015	2014	2013	2012	2011
Long-term debt					
General	7,232,118	\$ 7,553,834	\$ 2,195,904	\$ 2,536,117	\$ 804,937
Consolidated entity debt		10,571	23,796	36,076	63,098
	7,232,118	7,564,405	2,219,700	2,572,193	868,035
Capital lease obligation					
General - protective services	-	-	-	-	-
Total Long Term Debt and Capital Lease Obligations	7,232,118	7,564,405	2,219,700	2,572,193	868,035
Population (BC Stats Estimates 2011 - 2015)	10,834	10,714	10,858	9,838	9,838
Debt per capita	\$ 668	\$ 706	\$ 204	\$ 261	\$ 88

Statistical Information (continued)

Principal Corporate Taxpayers (Unaudited)			Total 2015 General
Registered Owner	Primary Property		Municipal Taxes Levied
Admirals Walk Properties Ltd Inc	Admirals Walk	\$	244,335
Great Canadian Casinos Inc	View Royal Casino		163,329
Canadian Tire Real Estate Ltd	Canadian Tire		136,526
Natural Properties Ltd	Reliable Controls		102,148
West Shore U-Lock Mini Storage Ltd	U-Lock Mini Storage		87,048
Eagle Creek Village Property Ltd	Eagle Creek Village		98,996
Goodwill Investments Ltd	Fort Victoria		82,865
Adams Storage Village Ltd	Adams Storage		74,694
Christie Point Apartments Ltd	Christie Point Apartments		80,692
0848052 BC Ltd	Thetis Cove		67,330
Total Tax Contributions from Top 10 Corporate Taxpayers			\$ 1,137,964
Total General Municipal Tax			\$ 6,583,792
Proportion of municipal tax paid by top ten			17.28%



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	March 2015	\$133,755
		June 2015	\$258,589
TFRS Grants	Defray the cost of local police enforcement	March 2015	\$26,669
		June 2015	\$48,792

(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 in 2015.	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.	Minimize tax rate increases in 2015 due to policing costs.	Fund maintained minimal tax increases due to policing costs.

Report Date: June 21, 2016