District of Central Saanich

Statement of Financial Information

Year Ended December 31 2021

Central
Saanich

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Financial Information

Year Ended December 31 2021

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THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Financial Information Approval

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.

Troy Ziegler, Director of Financial Services

Financial Statements of

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Year ended December 31, 2021

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Financial Statements

Year ended December 31, 2021

Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the District of Central Saanich (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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

On behalf of the District:

Chief Administrative Officer	*Director of Financial Services*

KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of the Corporation of the District of Central Saanich (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements".)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 9, 2022

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets		
Cash and cash equivalents (note 2)	$ 34,207,808	$ 20,082,699
Investments (note 2)	20,241,113	29,198,599
Property taxes receivable	341,935	406,983
Accounts receivable	3,838,038	4,164,131
Other government receivables	105,475	106,025
	58,734,369	53,958,437
Financial liabilities		
Accounts payable and accrued liabilities (note 3)	2,071,450	6,014,199
Refundable deposits	3,255,723	1,863,592
Deferred revenue (note 4)	8,218,017	6,646,840
Debt (note 5)	7,899,341	8,332,691
Employee future benefit obligations (note 6)	1,317,600	1,286,500
	22,762,131	24,143,822
Net financial assets	35,972,238	29,814,615
Non financial assets		
Tangible capital assets (note 7)	89,437,755	90,006,834
Inventory of supplies	488,277	478,699
Prepaid expenses	211,184	240,866
	90,137,216	90,726,399
Commitments and contingencies (note 11)		
Accumulated surplus (note 8)	$ 126,109,454	$ 120,541,014

The accompanying notes are an integral part of these financial statements

On behalf of the District:

Director of Financial Services

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	Financial plan (note 12)	2021	2020
Revenue:			
Municipal property taxes (note 9)	$ 18,379,700	$ 18,361,215	$ 17,746,798
Grants in lieu of taxes	344,600	334,400	341,821
Sale of services	2,156,700	2,898,446	1,515,644
Permits, licenses and interest	1,376,900	1,311,131	1,690,262
Government transfers (note 10)	2,693,000	2,342,572	4,837,520
Water utility	5,925,000	6,595,251	6,057,487
Sewer enterprise	1,615,200	1,780,337	1,650,241
Contributions and donations	-	883,446	948,691
Total revenue	32,491,100	34,506,798	34,788,464
Expenses:			
General government	5,794,000	2,887,794	2,961,825
Protective services	10,212,400	9,948,956	9,272,574
Transportation services	3,445,200	4,806,115	4,486,749
Environmental development services	1,327,000	678,076	634,296
Parks and cultural services	1,435,000	3,253,707	2,806,666
Water utility	5,693,000	5,549,817	5,236,756
Sewer enterprise	1,129,400	1,165,130	1,121,800
Other fiscal services	595,400	648,763	495,032
Total expenses	29,631,400	28,938,358	27,015,698
Annual surplus	2,859,700	5,568,440	7,772,766
Accumulated surplus, beginning of year	120,541,014	120,541,014	112,768,248
Accumulated surplus, end of year	$ 123,400,714	$ 126,109,454	$ 120,541,014

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Change in Net Financial Assets

Year ended December 31, 2021, with comparative information for 2020

	Financial plan (note 12)	2021	2020
Annual surplus	$ 2,187,400	$ 5,568,440	$ 7,772,766
Acquisition of tangible capital assets	(6,137,300)	(2,118,743)	(1,617,575)
Developer contributions of tangible capital assets	-	(606,294)	(803,084)
Amortization of tangible capital assets	4,300,000	3,294,116	3,112,243
Gain on sale of tangible capital assets	-	400,000	-
Proceeds from sale of tangible capital assets	-	(400,000)	
	(1,837,300)	569,079	691,584
Acquisition of inventory of supplies	-	(9,578)	37,666
Use of prepaid expenses	-	29,682	49,759
	-	20,104	87,425
Change in net financial assets	350,100	6,157,623	8,551,775
Net financial assets, beginning of year	29,814,615	29,814,615	21,262,840
Net financial assets, end of year	$ 30,164,715	$ 35,972,238	$ 29,814,615

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 5,568,440	$ 7,772,766
Items not involving cash:		
Amortization of tangible capital assets	3,294,116	3,112,243
Gain on sale of tangible capital assets	(400,000)	-
Donation of tangible capital assets	(606,294)	(803,084)
Actuarial adjustment on debt	(94,248)	(82,840)
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	65,048	(19,765)
Accounts receivable	326,093	(1,282,650)
Other government receivables	550	310,125
Accounts payable and accrued liabilities	(3,942,749)	4,214,909
Refundable deposits	1,392,131	(69,596)
Deferred revenue	1,571,177	275,818
Employee future benefit obligations	31,100	95,400
Inventory of supplies	(9,578)	37,666
Prepaid expenses	29,682	49,759
	7,225,468	13,610,751
Capital activities:		
Acquisition of tangible capital assets	(2,118,743)	(1,617,575)
Proceeds from sale of tangible capital assets	400,000	-
	(1,718,743)	(1,617,575)
Investing activities:		
Disposal of investments	8,957,486	3,460,081
Financing activities:		
Debt repaid	(339,102)	(335,363)
Increase in cash and cash equivalents	14,125,109	15,117,894
Cash and cash equivalents, beginning of year	20,082,699	4,964,805
Cash and cash equivalents, end of year	$ 34,207,808	$ 20,082,699
Supplemental cash flow information:		
Cash paid for interest	$ (276,411)	$ (324,339)
Cash received from interest	190,761	806,667
	$ (85,650)	$ 482,328

The accompanying notes are an integral part of these financial statements

The Corporation of the District of Central Saanich (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The District's principal activities include the provision of local government services to residents of the incorporated area.

1. Significant accounting policies:

The financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principals for local governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Reporting entity:

The financial statements reflect the assets, liabilities, revenues and expenses of the District's activities and funds. Inter departmental balances and transactions have been eliminated. The District does not administer any trust activities on behalf of external parties. The District does not control any external entities and accordingly no entities have been consolidated into the financial statements.

(b) Basis of accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Government transfers with stipulations restricting their use and that give rise to an obligation that meets the definition of a liability are recognized in the financial statements as revenues in the period in which the eligible expenditures are incurred, providing they are authorized and eligibility criteria are met.

1. Significant accounting policies (continued):

(d) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved tax rates and the anticipated assessment related to the current year.

(e) 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, thereby extinguishing the related liability. Work performed for third parties is recognized in the statement of operations as a revenue and expense.

(f) Cash and cash equivalents:

Cash and cash equivalents are defined as cash on hand, demand deposits, and short term highly liquid investments with a maturity date of less than 3 months at acquisition that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value.

Cash equivalents consist of investments in Municipal Finance Authority of British Columbia (“MFA”) Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(g) Investments:

Investments are recorded at cost plus earnings that are reinvested in the funds. 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.

(h) Deposits and prepayments:

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

1. Significant accounting policies (continued):

(i) Employee future benefits:

The District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and other retirement benefits are also available to the District's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(j) Debt:

Debt is recorded net of repayments and actuarial earnings. Debt is recorded in the related segment that uses the proceeds to fund capital expenditures.

(k) Non-financial assets:

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

(i) Tangible capital assets:

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

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

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use. Heritage buildings are not amortized as they have an indefinite service potential. Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than book value of the asset.

1. Significant accounting policies (continued):

(k) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

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

(iii) Interest capitalization:

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

(iv) Inventory of supplies:

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

(l) Liability for contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

(i) an environmental standard exists

(ii) contamination exceeds the environmental standard

(iii) the District is directly responsible or accepts responsibility for the liability

(iv) future economic benefits will be given up, and

(v) a reasonable estimate of the liability can be made.

(m) Measurement uncertainty:

The preparation of financial statements 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. Estimates include assumptions used in estimating useful lives of tangible capital assets and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from those estimates.

2. Cash and cash equivalents and investments:

	2021	2020
Bank deposits	$ 13,023,447	$ 14,910,214
Municipal Finance Authority - Money Market	21,055,290	5,045,573
Restricted cash - MFA cash deposit	129,071	126,912
	$ 34,207,808	$ 20,082,699
Investments	$ 20,241,113	$ 29,198,599

Investments consist of Municipal Finance Authority of British Columbia ("MFA") Intermediate and Bond Funds, guaranteed investment certificates and other fixed income securities which have costs that approximate market values. Included in investments is $2,964,782 (2020 - $2,452,534) that can only be used for expenditures as provided by the development cost charge reserve bylaw and the relevant sections of the Local Government Act, unless otherwise authorized by the Ministry of Municipal Affairs, Province of British Columbia.

3. Accounts payable and accrued liabilities:

	2021	2020
Trade accounts payable	$ 1,159,581	$ 1,006,905
Other government agencies	445,060	4,304,730
Accrued salary, wages and employee benefits:		
Payroll	144,578	406,888
Vacation	176,153	176,964
Overtime	146,078	118,712
	$ 2,071,450	$ 6,014,199

4. Deferred revenue:

	2021	2020
Parkland acquisition funds	$ 300,727	$ 297,827
Development cost charges	2,964,782	2,452,534
Restricted contractor donations	2,863,107	2,078,740
Prepaid taxes and other	2,089,401	1,817,739
Total deferred revenue	$ 8,218,017	$ 6,646,840

Schedule of Development Cost Charges

	2021	2020
Opening balance of unspent funds	$ 2,452,534	$ 2,274,778
Development cost charges received during year	485,648	107,956
Interest earned	26,600	69,800
	512,248	177,756
Less amount spent on projects and recorded as revenue	-	-
Closing balance of unspent funds	$ 2,964,782	$ 2,452,534

5. Debt:

(a) The District issues debt instruments through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenses.

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 to such borrowings, the resulting deficiency becomes a liability of the District.

	Gross debt	Repayments and actuarial earnings	Net debt 2021	Net debt 2020
General Capital Fund	$ 10,856,873	$ 2,957,532	$ 7,899,341	$ 8,332,691

5. Debt (continued):

(a) Continued:

As a condition of the borrowing through the MFA, the District is obligated to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. The deposits are included in the District's financial statements as restricted cash. If the debt is repaid without default, the deposits are refunded to the District. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon the maturity of a debt issue the demand notes are released and deposits refunded to the District. As at December 31, 2021, there were contingent demand notes of $226,811 (2020 - $226,811) which are not included in the financial statements of the District.

(b) Principal payments on debt for the next five years including actuarial adjustment are as follows:

2022	$ 344,091
2023	344,091
2024	344,091
2025	344,091
2026	290,409
2027 and thereafter	6,232,568
	$ 7,899,341

(c) Interest expense on long term debt during the year was $284,997 (2020 - $319,297). Interest rates on long term debt range from 2.75% to 4.20% per annum.

6. Employee future benefit obligations:

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

	2021	2020
Employee benefit obligations:		
Accumulated sick leave	$ 498,400	$ 485,500
Retirement benefits	819,200	801,000
	$ 1,317,600	$ 1,286,500

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

Retirement benefits represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits and certain vacation entitlements in the year of retirement for qualified employees.

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

The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation as at December 31, 2021.

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

	2021	2020
Accrued future benefit obligation:		
Balance, beginning of year	$ 1,286,500	$ 1,191,100
Current service cost	148,400	136,000
Interest cost	29,200	35,700
Benefits payments	(176,100)	(99,000)
Amortization of actuarial gain	29,600	22,700
Balance, end of year	$ 1,317,600	$ 1,286,500

The difference between the actuarially determined accrued future benefit obligation as at December 31, 2021 of $1,348,600 and the accrued benefit liability of $1,317,600 is an actuarial gain of $31,000. This actuarial gain will be amortized over a period equal to the employees' average remaining service lifetime of 9 years.

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

	2021	2020
Discount rates	2.50%	2.00%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	0% to 3.40%	0.00% to 3.40%

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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 are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

6. 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 may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2018, indicated a $2,866 million funding surplus for basic pension benefits on a going concern basis.

The District paid $1,193,562 (2020 - $1,124,480) for employer contributions while employees contributed $947,772 (2020 - $908,565) to the plan in fiscal 2021. The next valuation will be as at December 31, 2021, with results available in 2022.

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 individual employers participating in the plan.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2021

7. Tangible capital assets:

2021	Land	Land improvements	Buildings	Equipment and vehicles	Roads infrastructure	Drainage infrastructure	Sewer infrastructure	Water infrastruture	Assets under construction	Total
Cost										
Balance, beginning of year	$ 30,721,615	$ 8,698,998	$ 18,101,840	$ 15,018,377	$ 60,500,198	$ 17,003,010	$ 15,203,578	$ 18,132,031	$ 260,390	$ 183,640,037
Additions	-	104,598	484,764	655,516	675,239	513,713	98,892	40,000	152,315	2,725,037
Disposals	-	-	-	(938,115)	-	-	-	-	-	(938,115)
Write off	-	-	-	-	-	-	-	-	-	-
Balance, end of year	30,721,615	8,803,596	18,586,604	14,735,778	61,175,437	17,516,723	15,302,470	18,172,031	412,705	185,426,959
Accumulated amortization:										
Balance, beginning of year	-	4,321,529	6,684,530	10,188,376	46,803,206	10,052,144	8,114,208	7,469,210	-	93,633,203
Amortization	-	141,843	447,012	868,914	1,160,170	188,275	225,663	262,239	-	3,294,116
Disposals	-	-	-	(938,115)	-	-	-	-	-	(938,115)
Balance, end of year	-	4,463,372	7,131,542	10,119,175	47,963,376	10,240,419	8,339,871	7,731,449	-	95,989,204
Net book value, end of year	$ 30,721,615	$ 4,340,224	$ 11,455,062	$ 4,616,603	$ 13,212,061	$ 7,276,304	$ 6,962,599	$ 10,440,582	$ 412,705	$ 89,437,755

2020	Land	Land improvements	Buildings	Equipment and vehicles	Roads infrastructure	Drainage infrastructure	Sewer infrastructure	Water infrastructure	Assets under construction	Total
Cost										
Balance, beginning of year	$ 30,721,615	$ 8,658,023	$ 18,101,840	$ 14,373,061	$ 59,274,197	$ 16,886,679	$ 15,181,978	$ 17,770,834	$ 251,151	$ 181,219,378
Additions	-	40,975	-	645,316	1,226,001	116,331	21,600	361,197	54,344	2,465,764
Write off	-	-	-	-	-	-	-	-	(45,105)	(45,105)
Balance, end of year	30,721,615	8,698,998	18,101,840	15,018,377	60,500,198	17,003,010	15,203,578	18,132,031	260,390	183,640,037
Accumulated amortization:										
Balance, beginning of year	-	4,183,033	6,237,417	9,457,074	45,678,601	9,865,425	7,887,579	7,211,831	-	90,520,960
Amortization	-	138,496	447,113	731,302	1,124,605	186,719	226,629	257,379	-	3,112,243
Balance, end of year	-	4,321,529	6,684,530	10,188,376	46,803,206	10,052,144	8,114,208	7,469,210	-	93,633,203
Net book value, end of year	$ 30,721,615	$ 4,377,469	$ 11,417,310	$ 4,830,001	$ 13,696,992	$ 6,950,866	$ 7,089,370	$ 10,662,821	$ 260,390	$ 90,006,834

7. Tangible capital assets:

(a) Assets under construction:

Assets under construction totaling $412,705 (2020 - $260,390) are not being amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

During the year there were contributed assets of $606,294 (2020 - $803,084) recognized, which represents their fair market value at the date of contribution.

The contributed infrastructure consisted of roads $198,719 (2020 - $374,587), drains $268,682 (2020 - $45,700), water $40,000 (2020 - $361,197) and sewer $98,893 (2020 - $21,600).

(c) Works of art and historical treasures:

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

(d) Write down of tangible capital assets:

There were no write downs of tangible capital assets in use during the years presented.

8. Accumulated surplus:

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

	2021	2020
Surplus:		
Invested in tangible capital assets	$ 81,538,414	$ 81,674,143
General	7,931,307	7,872,768
Total surplus	89,469,721	89,546,911
Reserve funds set aside for specific purposes by Council:		
Affordable housing contributions	94,500	82,500
Ammenity contributions	667,000	425,500
Protective services	721,836	620,697
Federal gas tax	5,313,740	4,359,024
Financial stabilization	530,766	530,766
General debt retirement	3,645,400	2,862,700
Climate action – oil to heat pump program	285,000	-
Climate action	510,000	480,000
Future expenditures	1,104,536	1,053,049
General conditional contribution	36,712	36,712
COVID-19 Safe Restart	1,639,901	3,111,137
Total	14,549,391	13,562,085
Statutory Reserve Funds set aside for specific purposes by Bylaw:		
Fire vehicles and equipment	757,059	726,555
Police vehicles and equipment	115,333	166,302
Technology replacement	239,237	183,511
Roads replacement	288,600	285,800
Drainage replacement	828,788	594,888
General vehicles and equipment	801,559	687,409
General capital	5,769,458	3,932,469
Local service area	276,190	253,790
Land sale reserve	1,407,730	995,830
Building replacement	417,800	58,900
Water utility	5,599,145	4,535,195
Sewer enterprise	5,589,443	5,011,369
Total	22,090,342	17,432,018
	$ 126,109,454	$ 120,541,014

8. Accumulated surplus (continued):

Schedule of Federal gas tax reserve

	2021	2020
Opening balance of unspent funds	$ 4,359,024	$ 4,287,676
Funds received during year	1,561,093	763,196
Interest earned	46,800	208,152
Less amount spent on projects:		
Road reconstruction	(408,146)	(900,000)
Vehicles	(245,031)	-
Closing balance of unspent funds	$ 5,313,740	$ 4,359,024

9. Municipal property taxes:

Municipal property tax revenue, reported on the statement of operations, is comprised of the following:

	2021	2020
General taxation:		
Property and business taxes	$ 36,196,424	$ 33,192,651
Less taxes levied for other authorities:		
Provincial Government - school taxes	9,466,280	7,369,965
Capital Regional District	5,270,921	4,937,855
Capital Regional Hospital District	1,236,003	1,289,127
BC Transit Authority	1,571,505	1,564,007
BC Assessment Authority	289,129	283,576
Municipal Finance Authority	1,371	1,323
	17,835,209	15,445,853
	$ 18,361,215	$ 17,746,798

10. Government transfers:

The District recognizes the transfer of government funding as revenue when received and all related eligibility criteria and stipulations have been satisfied. The government transfers reported on the statement of operations are:

	2021	2020
Provincial government:		
Small communities and equalization payments	$ 429,826	$ 460,081
Infrastructure grants	23,333	-
Other	320,030	3,547,157
	773,189	4,007,238
Federal government:		
Gas tax agreement funds	1,561,093	763,196
Other	8,290	67,086
	1,569,383	830,282
	$ 2,342,572	$ 4,837,520

11. Commitments and contingencies:

(a) The CRD debt, under provisions of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the District.

(b) The District is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated which provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

(c) In the normal course of a year, claims for damages are made against the District. The District records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, member municipalities are to share jointly for such claims in excess of individual deductibles ranging from $5,000 to $50,000 against any member. The District's deductible is $10,000.

(d) The District entered into a five year agreement for Police related dispatch services with E Comm Emergency Communications for British Columbia Incorporated effective January 1, 2020. The annual charge to the District will be based on the District's share of actual costs for the calendar year as determined in the agreement. The estimated cost for 2021 is $281,000.

(e) The District has identified a property that will be remediated in the future. A liability for estimated costs of $130,000 has been recognized, as the District has committed to remediation and future economic benefits are expected to be given up.

12. Financial plan:

The financial plan presented in these financial statements is based upon the 2021 operating and capital budgets approved by Council on April 26, 2021 adjusted for amortization and debt.

13. Segmented information:

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

General Government:

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

Municipal services:

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

Water utility:

The water utility installs and maintains the water mains and pump stations and oversees the distribution of water purchased from the Capital Regional District.

Sewer enterprise:

The sewer enterprise installs and maintains the sewer mains and pump stations of the District.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The taxation revenues are allocated to the functions based on budgeted expenditures for 2021. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

2021	General government	Municipal services	Water utility	Sewer enterprise	Total
Revenue:					
Taxation	$ 4,673,904	$ 14,021,711	$ -	$ -	$ 18,695,615
Non taxation	4,887	7,430,708	6,595,251	1,780,337	15,811,183
Total revenue	4,678,791	21,452,419	6,595,251	1,780,337	34,506,798
Expenses:					
Salaries, wages and benefits	1,832,750	11,020,432	611,744	458,086	13,923,012
Materials and supplies	119,690	1,206,190	4,244,010	55,347	5,625,237
Services	603,950	4,350,818	425,158	426,034	5,805,960
Other	-	290,033	-	-	290,033
Amortization	331,403	2,468,145	268,905	225,663	3,294,116
Total expenses	2,887,793	19,335,618	5,549,817	1,165,130	28,938,358
Annual surplus	$ 1,790,998	$ 2,116,801	$ 1,045,434	$ 615,207	$ 5,568,440

13. Segmented information (continued):

2020	General government	Municipal services	Water utility	Sewer enterprise	Total
Revenue:					
Taxation	$ 4,305,265	$ 13,783,353	$ -	$ -	$ 18,088,618
Non taxation	221,470	8,770,646	6,057,487	1,650,243	16,699,846
Total revenue	4,526,735	22,553,999	6,057,487	1,650,243	34,788,464
Expenses:					
Salaries, wages and benefits	1,896,473	10,025,859	551,707	411,460	12,885,499
Materials and supplies	132,745	1,311,816	3,956,581	95,814	5,496,956
Services	728,543	3,609,117	464,422	387,898	5,189,980
Other	-	331,020	-	-	331,020
Amortization	204,064	2,417,505	264,045	226,629	3,112,243
Total expenses	2,961,825	17,695,317	5,236,755	1,121,801	27,015,698
Annual surplus	$ 1,564,910	$ 4,858,682	$ 820,732	$ 528,442	$ 7,772,766

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule - COVID-19 Restart Reserve

Year ended December 31, 2021
(Unaudited)

	2021	2020
Balance, beginning of year	$ 3,111,137	$ -
Received:		
Provincial transfer	-	3,455,000
Deducted:		
Facility & technology improvements	351,738	-
Grants to other organizations	411,443	-
Economic recovery	51,187	-
Budget reduction funding	176,800	-
Emergency operations center	32,040	138,249
Lost revenue	421,698	85,000
Materials and supplies	1,962	78,473
Custodial services	5,453	23,160
IT equipment	16,565	11,487
Advertising and communications	225	6,973
Bylaw enforcement	2,125	521
	1,471,236	343,863
Balance, end of year	$ 1,639,901	$ 3,111,137

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule of Debts

For the Year Ended December 31 2021

Issue	Bylaw	Term	Rate(1)	Amount	Outstanding	Maturity Date
133	1729	25	2.75%	$ 8,523,540	$ 7,090,146	2040
116	1665	15	4.20%	1,333,333	533,869	2026
110	1665	15	4.50%	1,000,000	325,734	2025
Total				$ 10,856,873	$ 7,949,749	

(1) Interest rate does not include the impact of Actuarial Adjustments. Principal payments for debt Issued through the Municipal Finance Authority are reduced by MFA sinking fund reinvestment returns.

Schedule of Guarantee and Indemnity Agreements

For the Year Ended December 31 2021

*There are no Guarantee or Indemnity Agreements in place for 2021.

Schedule of Council Remuneration and Expenses

For the Year Ended December 31 2021

Elected Official	Position	Remuneration	Expenses
		$	$
Graham, Christopher	Councillor	17,649	0
Jensen, Carl	Councillor	17,649	574
King, Zeb	Councillor	17,649	0
Newton, Gordon	Councillor	17,649	475
Paltiel, Niall	Councillor	17,649	0
Thompson, Robert	Councillor	17,649	475
Windsor, Ryan	Mayor	40,654	219
Total		$ 146,548	$ 1,743

Note – Expenses incurred reported above do not include expenses reimbursed for other committees or boards.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule of Employee Remuneration and Expenses

For the Year Ended December 31 2021

Employee Name	Position	Remuneration $	Expenses $
Barnett, Brian	Director of Engineering	102,763	751
Blaikie, Jered	Fire Officer	111,541	303
Bousquet, Tony	Manager of IT	116,359	3,428
Burnham, Britt	Manager of Community Services	115,314	1,273
Chad, Thomas	Senior Mechanic	92,202	-
Coates, Barry	Maintenance Worker	75,374	388
Collins, Todd	Maintenance Worker	76,596	501
Culham, Christine	Chief Administrative Officer	177,314	844
DeMedeiros, Kristina	Chief Building Inspector	98,457	1,661
Dillabaugh, Nadine	Manager of Human Resources & Organizational Development	105,142	950
Doerksen, Norm	Public Works Superintendent	120,419	262
Dorman, Don	Maintenance Worker	78,332	481
Dow, Jason D.	Lead Hand	97,308	262
Fox, Susanne	Payroll & Benefits Coordinator	76,177	506
Godfrey, Mike J.M	Foreman	95,722	418
Gummer, Brennan	Fire Officer	121,768	373
Harding, Ben	Lead Hand	84,570	481
Hood, Ken	Electrician	95,608	755
Inoke, John	Fire Fighter	106,121	2,423
Jennings, Colin	Lead Hand	80,075	-
Kearley, Geoffrey	Foreman	107,219	262
Law, Andrew	Building Inspector	87,146	642
Law, John	Foreman	92,026	-
Levitt, Alexander	Fire Fighter	91,820	1,169
Lyon, Wesley	Engineering Technologist	81,216	455
Matanowitsch, Jarret	Director of Planning	140,399	878
McConnell, Chad	IT Technician	94,721	339
McDonald, Scott	Mechanic	81,761	-
Morris, James	Maintenance Worker	75,513	262
Mutz, Mark	Building Maintenance	97,051	150
Nelson, Robert	Deputy Fire Chief	95,523	604
Patstone, Emilie	Maintenance Worker	75,917	500
Pickard, Andrea	Planner	87,945	-
Richards, Jamie M	Maintenance Worker	75,134	262
Robertson, John	Deputy Fire Chief	107,489	335
Rocheleau, Roland	Senior Engineering Technician	91,251	480

Schedule of Employee Remuneration and Expenses (continued)

Samuel, Michael	Maintenance Worker	83,029	262
Sherman, John	Maintenance Worker	81,666	487
Simpson, Michael	Fire Officer	113,975	2,155
Smith, Kirt	Maintenance Worker	76,204	1,277
Sylvestre, Yvan	Senior Engineering Technician	90,470	455
Syverson, Robert	Fire Officer	151,343	2,077
Vander Kamp, Ivo	Planner	87,629	1,744
Ziegler, Troy	Director of Financial Services	133,798	3,756
Total $75,000 or More		$ 4,327,407	$ 34,611
Total Under $75,000		2,652,452	41,187
Grand Total		$ 6,979,859	$ 75,798

Statement of Severance Agreements:

There was one severance agreement under which payment was made between the Corporation of the District of Central Saanich and its contracted employees during the fiscal year 2021.

The agreement represented twelve months of compensation (salary less statutory deductions plus 15% in lieu of benefits).

Note – Agreements noted above do not include employees of the Central Saanich Police Board.

Statement of Reconciliation to Financial Statements Disclosure:

The remuneration schedule is prepared on a cash paid basis for employee related compensation; the Financial Statements are prepared on an accrual accounting basis, and include employer related costs for employment agreements and payroll related obligations.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule of Payments to Suppliers of Goods and Services

For the Year Ended December 31 2021

Supplier Name	**Amount Paid**
	$
Aristos Mail Tech Inc	31,798
Associated Fire Safety Equipment	29,654
BC Assessment Authority	289,383
BC Hydro & Power Authority	265,140
BC Transit	1,573,257
Black Press Group Ltd	34,999
Capital City Refrigeration Ltd	82,828
Capital Regional District	10,091,776
Capital Regional Hospital	1,235,652
Capital Tree Service Inc.	51,542
Central Saanich Police Association	130,182
Central Saanich Volunteer Firefighters Association	40,750
Central Square Canada Software Inc	68,356
Century Group Inc	43,800
Chase Office Interiors Inc	51,523
Citta Construction Ltd	86,288
Columbia Fuels (Parkland)	250,426
Crest	148,919
District of North Saanich	69,664
District of Saanich	158,926
Duka Environmental Services Ltd	69,546
E-Comm Emergency Communications	270,785
Escribe Software Ltd	28,235
Flynn Canada Ltd	66,858
Fort Garry Fire Trucks Ltd	494,982
Grayshift LLC	27,069
Greater Victoria Public Library	941,995
Guillevin International Inc	25,769
H2X Contracting Ltd	86,310
Horizon Signs	25,644
I.T. Blueprint Solutions Consulting Inc	36,754
ICBC	64,908
Iconix Waterworks LP	56,917
Island Asphalt Ltd.	523,189
Island Tractor & Supply Ltd	25,219
Kerr Wood Leidal	100,079

Schedule of Payments to Suppliers of Goods and Services (continued)

Kia Victoria	45,799
KTI Limited	39,391
Lafarge Canada Inc	31,780
Michell Excavating Ltd	84,268
Microserve	103,619
Minister of Finance Health Tax	254,295
Modus Planning Design & Engagement Inc	126,878
Monk Office Supply Ltd	27,548
Municipal Insurance Association BC	183,763
Municipal Pension Plan	2,153,119
OK Tire Auto Service	29,699
Pacific Blue Cross	646,903
Pacific Coast Commercial Cleaning Inc	140,898
Peninsula Streams Society	36,000
Primecorp Police Records Information Management	30,353
Raylec Power Ltd.	38,343
Receiver General - RCMP	105,804
Receiver General For Canada	3,335,409
Rogers	47,724
Rogers, Jennifer	30,000
Saanichton Development Ltd	211,559
Scottish Line Painting Ltd.	31,201
Seafirst Insurance Brokers	108,178
Shades Tankers (1976) Ltd	46,995
Sigma Safety Corp	26,282
Slegg Building Materials	34,452
SMS Summit Mechanical Systems Ltd	27,486
Softchoice LP	45,736
South Island Prosperity Partnership	25,534
Southcoast Electric Ltd	102,379
Stantec Consulting Ltd	89,561
Swing Time Distributors	71,790
Telus Communications Company	26,878
Telus Finance	54,432
Think Communications Inc	50,239
Uni-Select Canada Inc. (Bumper to Bumper)	45,626
United Rentals	39,100
Urban Systems Ltd	70,647

Valley Traffic Systems	28,858
Van Isle Paint	27,383
Victoria Mobile Radio Ltd	51,043
Victoria Police Department	35,509
Waste Management of Canada Corporation	68,044
Westvac Industrial Ltd	53,014
Worksafe BC	210,654
Young Anderson Barristers & Solicitors	115,741
Total $25,000 or More	$ 26,769,035
Total Under $25,000	3,567,825
Grand Total	$ 30,336,860

Reconciliation of Payments for Goods and Services to Financial Statements:

The Schedule of Payments to Suppliers for the Provision of Goods and Services has been prepared on a cash basis whereas the financial statements have been prepared on an accrual accounting basis, therefore no reconciliation of this schedule with the financial statements has been prepared.

Included in the above payments are taxes collected for and paid to other governments and agencies, refunds of deposits, and payroll and other statutory obligations.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule of Grants and Contributions

For the Year Ended December 31 2021

Recipient	Amount $
ArtSea Community Arts Council Society	6,725
Central Saanich Lawn Bowling Club	7,500
Countryside Co-Operative Preschool	323
Farmlands Trust Society	4,000
FED Urban Agricultural Society	1,000
NEED2 Crisis and Information Line	1,000
North & South Saanich Agricultural	60,000
Rotary Club of Sidney	3,000
Royal Canadian Marine Search & Rescue	1,000
Saanich Historical Artifact Society	7,500
Saanich Inlet Lifeboat Society	8,495
Saanich Peninsula Chamber of Commerce	2,400
Saanich Peninsula Lions Food Bank	100,000
Saanichton Village Association	7,500
Sidney Food Bank	2,483
Tsartlip First Nation	100,000
Tsawout First Nation	100,000
VI South Film & Media Commission	1,000
Total	$ 413,926