



DISTRICT OF SOOKE

STATEMENT OF FINANCIAL INFORMATION

For the year ended December 31, 2015

Statement of Financial Information
Prepared under the *Financial Information Act*
For the Year ended December 31, 2015

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4. STATEMENT OF DEBTS Information on all long-term debts for this organization is included in Note 5 to the 2015 Audited Financial Statements.	
5. SCHEDULE OF GUARANTEE OR INDEMNITY The District of Sooke has not given any guarantees or indemnities in 2015 under the <i>Guarantees and Indemnities Regulations</i> .	
6. STATEMENT OF SEVERANCE AGREEMENTS There were no severance agreements made between the District of Sooke and its non-unionized or unionized employees during 2015.	
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File No. 1880-20

June 27, 2016

**DISTRICT OF SOOKE
STATEMENT OF FINANCIAL INFORMATION
MANAGEMENT REPORT**

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The external auditors, KPMG, conduct an independent examination in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the system of internal controls for the purposes of designing audit procedures appropriate in the circumstances. Their examination includes appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards. Their examination does not extend to the other schedules and statements included in this Statement of Financial Information.

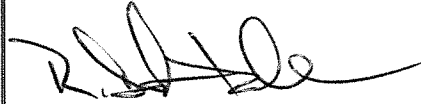
On behalf of the District of Sooke,

Brent Blackhall, CPA, CA
Director of Financial Services

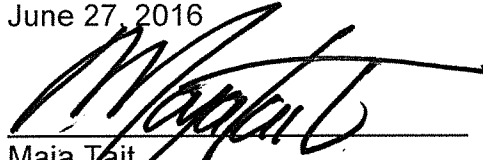
DISTRICT OF SOOKE

**STATEMENT OF APPROVAL OF FINANCIAL
INFORMATION**

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*.



Brent Blackhall, CPA CA
Director of Financial Services
June 27, 2016



Maja Tait
Mayor
June 27, 2016

Financial Statements of

DISTRICT OF SOOKE

Year ended December 31, 2015

DISTRICT OF SOOKE

Financial Statements

Year ended December 31, 2015

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of District of Sooke (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with public sector accounting standards for governments as recommended 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.



Chief Administrative Officer



Director of Finance



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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of District of Sooke

We have audited the accompanying financial statements of District of Sooke, which comprise the statement of financial position as at December 31, 2015, the statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of District of Sooke as at December 31, 2015, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

May 9, 2016
Victoria, Canada

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

DISTRICT OF SOOKE

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
		(restated - note 12)
Financial assets:		
Cash and cash equivalents (note 2)	\$ 12,360,972	\$ 10,402,072
Property taxes receivable	1,424,697	1,588,618
Accounts receivable	319,995	469,383
Other assets (note 10(a))	129,138	125,914
	14,234,802	12,585,987
Financial liabilities:		
Accounts payable and accrued liabilities	5,147,718	2,654,311
Deposits	574,330	824,844
Deferred revenue (note 3)	3,025,214	3,096,215
Employee benefit obligations (note 4)	276,941	193,092
Long-term liabilities (note 5)	6,224,473	6,730,897
	15,248,676	13,499,359
Net debt	(1,013,874)	(913,372)
Non-financial assets:		
Tangible capital assets (note 6)	101,224,468	99,181,516
Prepaid expenses	528,784	444,574
	101,753,252	99,626,090
Accumulated surplus (note 7)	\$ 100,739,378	\$ 98,712,718

Commitments and contingent liabilities (note 10)

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

On behalf of the District:



Director of Finance

DISTRICT OF SOOKE

Statement of Operations

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

	Financial Plan (note 11)	2015	2014
Revenue:			
Net taxes available for municipal purposes (note 8)	\$ 6,713,340	\$ 7,363,863	\$ 7,012,071
Sales and user fees	80,496	150,068	66,529
Government transfers (note 9)	900,125	1,029,610	2,778,113
Investment income	100,000	196,862	196,027
Penalties and fines	215,000	210,908	221,198
Licenses and permits	477,562	450,201	486,488
Lease and rental	54,000	50,840	51,363
Donations and contributions	1,061	1,872,917	1,974,221
Developer cost charges	887,209	401,577	1,262,339
Sewer operating revenue	1,970,152	1,972,334	1,906,630
Casino revenue sharing	250,000	244,641	232,936
Total revenue	11,648,945	13,943,821	16,187,915
Expenses:			
General government	2,361,289	2,218,142	2,261,319
Protective services	3,139,471	3,100,838	3,151,596
Engineering	2,665,421	2,705,537	2,752,325
Recreation and culture	399,035	1,115,949	1,002,943
Planning and development	720,321	669,671	705,884
Sewer	2,201,990	2,107,024	2,106,831
Total expenses	11,487,527	11,917,161	11,980,898
Annual surplus	161,418	2,026,660	4,207,017
Accumulated surplus, beginning of year, as restated (note 12)	98,712,718	98,712,718	94,505,701
Accumulated surplus, end of year	\$ 98,874,136	\$ 100,739,378	\$ 98,712,718

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

DISTRICT OF SOOKE

Statement of Change in Net Debt

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

	Financial Plan (note 11)	2015	2014
Annual surplus	\$ 161,418	\$ 2,026,660	\$ 4,207,017
Acquisition of tangible capital assets	(4,910,834)	(3,282,284)	(2,262,835)
Developer contributions of tangible capital assets	-	(1,373,037)	(1,964,376)
Amortization of tangible capital assets	2,487,890	2,607,194	2,640,917
Loss on disposal of tangible capital assets	-	975	65,026
Proceeds on disposal of tangible capital assets	-	4,200	35,000
	(2,422,944)	(2,042,952)	(1,486,268)
Acquisition of prepaid expenses	-	(84,210)	(51,121)
Change in net debt	(2,261,526)	(100,502)	2,669,628
Net debt, beginning of year, as restated (note 12)	(913,372)	(913,372)	(3,583,000)
Net debt, end of year	\$ (3,174,898)	\$ (1,013,874)	\$ (913,372)

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

DISTRICT OF SOOKE

Statement of Cash Flows

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

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 2,026,660	\$ 4,207,017
Items not involving cash:		
Developer contributions of tangible capital assets	(1,373,037)	(1,964,376)
Amortization of tangible capital assets	2,607,194	2,640,917
Loss on disposal of tangible capital assets	975	65,026
Actuarial adjustment on debt	(121,769)	(102,734)
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	163,921	(143,385)
Accounts receivable	149,388	(231,962)
Other assets	(3,224)	(3,547)
Accounts payable and accrued liabilities	2,493,407	166,028
Deposits	(250,514)	144,689
Employee benefit obligations	83,849	9,537
Deferred revenue	(71,001)	(2,692,346)
Prepaid expenses	(84,210)	(51,121)
	5,621,639	2,043,743
Capital activities:		
Acquisition of tangible capital assets	(3,282,284)	(2,262,835)
Proceeds on disposal of tangible capital assets	4,200	35,000
	(3,278,084)	(2,227,835)
Financing activities:		
Debt payments	(384,655)	(382,539)
Increase (decrease) in cash and cash equivalents	1,958,900	(566,631)
Cash and cash equivalents, beginning of year	10,402,072	10,968,703
Cash and cash equivalents, end of year	\$ 12,360,972	\$ 10,402,072
Supplemental cash flow information:		
Cash paid for interest	\$ 433,108	\$ 437,896
Cash received from interest	144,368	162,270

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

DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2015

District of Sooke (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 provides municipal services such as fire, public works, engineering, planning, parks, recreation, community development, and other general government operations.

1. Significant accounting policies:

The financial statements of the District are prepared by management in accordance with Canadian public sector accounting standards for governments as recommended 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 include a combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all of the District's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

The District does not control any significant external entities and accordingly no entities have been consolidated with 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 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.

DISTRICT OF SOOKE

Notes to 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, thereby extinguishing the related liability.

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

(e) 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.

(f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(g) Deposits:

Receipts restricted by third parties are deferred and reported as deposits under certain circumstances. Deposits are returned when the third party meets their obligations or the deposits are recognized as revenue when qualifying expenditures are incurred.

(h) Cash and cash equivalents:

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

(i) Long-term debt:

Long-term debt is recorded net of related payments and actuarial earnings.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(j) 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 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.

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

Asset	Useful life - years
Land improvements	10 - 50
Buildings	25 - 40
Equipment, furniture and vehicles	4 - 25
Roads and sidewalks	25 - 75
Storm sewer	60
Sanitary sewer	25 - 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.

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 the future economic benefits associated with the asset are less than the book value of the asset.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

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) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization:

The District 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.

(l) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from these estimates.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(m) Adoption of new accounting policy:

The District adopted Public Sector Accounting Board Standard PS 3260 Liability for Contaminated Sites effective January 1, 2015. Under PS 3260, 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. This Standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. The District adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

2. Cash and cash equivalents:

	2015	2014
Bank deposits	\$ 1,092,839	\$ 1,215,930
Municipal Finance Authority Money Market Funds	11,268,133	9,186,142
	<u>\$ 12,360,972</u>	<u>\$ 10,402,072</u>

3. Deferred revenue:

	2015	2014
Development cost charges	\$ 2,986,428	\$ 2,987,701
Other deferred revenue	38,786	108,514
Total deferred revenue	<u>\$ 3,025,214</u>	<u>\$ 3,096,215</u>

Included in other deferred revenue are grants received by the District for business licenses, building permits, emergency planning and West Nile assistance.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

3. Deferred revenue (continued):

Development Cost Charges

	2015	2014
Opening balance of unspent funds	\$ 2,987,701	\$ 3,807,570
Add:		
Development cost charges during the year	384,720	420,267
Interest earned	15,584	22,203
	400,304	442,470
	3,388,005	4,250,040
Less amount recorded as revenue	401,577	1,262,339
Closing balance of unspent funds	\$ 2,986,428	\$ 2,987,701

In accordance with Bylaw 408, development cost charges were reduced by nil in 2015 (2014 - nil).

4. Employee benefit obligations:

	2015	2014
Accrued vacation	\$ 52,444	\$ 70,336
Other contract obligations	224,497	122,756
	\$ 276,941	\$ 193,092

Employee benefit obligations represent accrued benefits as at December 31, 2015. Accrued vacation is the amount of vacation entitlement carried forward into the next year. Other contract obligations include banked overtime payable to the District's employees, accumulated sick leave banks and retirement benefits for possible drawdown at future dates. These sick leave entitlements may only be used while employed by the District and are not paid out upon retirement or termination of employment.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

4. Employee benefit obligations (continued):

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local government.

The latest valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be December 31, 2015 with results available later in 2016.

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

The District paid \$245,429 (2014 - \$226,037) for employer contributions to the Plan in fiscal 2015, while employees contributed \$204,249 (2014 - \$190,960) to the plan in fiscal 2015.

5. Long-term liabilities:

	2015	2014
Tax supported debt bearing interest at 6.75% and matures in 2017 (municipal hall and fire hall)	\$ 156,203	\$ 226,977
Tax supported debt bearing interest at 4.52% and matures in 2027 (ladder truck)	420,642	448,686
Debenture debt for sewer capital project bearing interest at 4.43% and matures in 2026	5,647,628	6,055,234
Long-term liabilities	\$ 6,224,473	\$ 6,730,897

(a) Debenture debt:

The loan agreements with the Capital Regional District ("CRD") 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 District.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Long-term liabilities (continued):

(a) Debenture debt (continued):

The District issues its debentures through the MFA. Debentures are issued on a sinking fund basis, whereby the MFA invests the District's principal payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. The gross value of debenture debt at December 31, 2015 and 2014 is \$9,417,101.

(b) The principal payments required on the District's long-term debt during each of the next five years are as follows:

	Total
2016	\$ 391,794
2017	396,894
2018	316,243
2019	316,243
2020	316,243

(c) Total interest expense on long-term debt for the year ending December 31, 2015 amounted to \$433,054 (2014 - \$437,529).

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Tangible capital assets:

	Land	Land improvements	Buildings	Equipment, furniture and vehicles	Roads and sidewalks	Storm sewer	Sanitary sewer	Work in progress	Total 2015	Total 2014
Cost:										
Balance, beginning of year	\$28,843,405	5,349,441	3,970,293	4,189,028	47,673,273	10,899,814	25,780,744	2,201,059	\$128,907,057	\$124,867,726
Additions	1,300,995	614,582	-	75,225	1,522,344	179,624	141,968	2,800,433	6,635,171	4,234,127
Disposals	-	-	-	(8,467)	-	-	-	(1,979,850)	(1,988,317)	(194,796)
Balance, end of year	30,144,400	5,964,023	3,970,293	4,255,786	49,195,617	11,079,438	25,922,712	3,021,642	133,553,911	128,907,057
Accumulated amortization:										
Balance, beginning of year	-	1,932,294	2,030,912	2,324,501	18,582,901	1,039,687	3,815,246	-	29,725,541	27,172,478
Disposals	-	-	-	(3,292)	-	-	-	-	(3,292)	(87,854)
Amortization	-	204,019	138,664	198,587	1,445,087	141,667	479,170	-	2,607,194	2,640,917
Balance, end of year	-	2,136,313	2,169,576	2,519,796	20,027,988	1,181,354	4,294,416	-	32,329,443	29,725,541
Net book value, end of year	\$30,144,400	3,827,710	1,800,717	1,735,990	29,167,629	9,898,084	21,628,296	3,021,642	\$101,224,468	\$99,181,516

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Tangible capital assets (continued):

(a) Work in progress:

Work in progress having a value of \$3,021,642 (2014 - \$2,201,059) have not been amortized. Amortization of these assets will commence when the asset is available for service.

(b) Contributed tangible capital assets:

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$1,373,037 (2014 - \$1,964,376) comprised of land (\$942,325), land improvements (\$70,300) roads and sidewalks (\$210,956), storm sewer (\$76,540) and sanitary sewer (\$72,916).

(c) Tangible capital assets disclosed at nominal values:

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

(d) Works of art and historical treasures:

The District manages and controls various works of art and non-operational historical cultural assets including buildings, 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.

(e) Write-down of tangible capital assets:

No write-down of tangible capital assets occurred during the year.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

7. Accumulated surplus:

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

	2015	2014
Surplus:		
Equity in tangible capital assets	\$ 94,999,995	\$ 92,120,139
Operating Fund	2,454,480	2,622,085
Total surplus	97,454,475	94,742,224
Reserve Funds:		
Gas Tax Reserve	409,373	1,705,698
Fire Equipment Reserve	106,970	63,257
Parkland Reserve	205,742	204,672
Land (Non-park) Reserve	5,543	115,184
Casino Revenue Reserve	212,365	632,241
Capital Improvement Financing Reserve	42,678	50,422
SPA Revenue Reserve	48,104	41,120
Capital Works Reserve	52,705	176,589
Emergency Road Repair / Snow Removal Reserve	183,723	182,767
Carbon Tax Rebate Reserve	3,509	1,750
Community Amenities Reserve	112,156	54,029
Risk Management Reserve	30,870	30,870
Property Tax Stabilization Reserve	51,000	51,000
Revenue Smoothing Reserve	71,000	5,000
Capital Asset Replacement Reserve	657,753	312,912
Future Sewer Expenditures Reserve	310,993	135,248
Seniors/Youth Centre Reserve	100,000	-
Playing Field Reserve	400,826	-
Future Policing Costs Reserve	43,869	-
Future Road Liabilities Reserve	169,095	142,948
Harbour Park Reserve	18,998	17,156
Marine Boardwalk Reserve	5,520	5,520
Banner Contributions Reserve	500	500
Knott / Demamiel Watershed Reserve	6,700	6,700
Street Lighting Reserve	4,000	4,000
Frontage Improvements Reserve	30,911	30,911
Total reserve funds	3,284,903	3,970,494
	\$100,739,378	\$ 98,712,718

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Taxation:

As well as taxes for its own purposes, the District 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 tax	\$ 15,981,720	\$ 15,551,114
Payments in lieu of taxes	38,532	39,549
1% Utility tax	144,547	141,387
	16,164,799	15,732,050
Less taxes levied on behalf of:		
Provincial government - school taxes	4,684,038	4,664,968
Capital Regional District	2,679,427	2,602,277
Capital Regional Hospital District	663,172	675,142
Municipal Finance Authority	443	436
BC Assessment Authority	136,433	139,539
BC Transit Authority	637,423	637,617
	8,800,936	8,719,979
Net taxes available for municipal purposes	\$ 7,363,863	\$ 7,012,071

9. Government transfers:

The Government transfers reported on the statement of operations and accumulated surplus are:

	2015	2014
Provincial Small Community Protection	\$ 362,218	\$ 241,538
Provincial Traffic Fine Revenue	98,758	60,819
Multi-use Trail Grants	19,572	305,427
Gas Tax Agreement Funds	517,456	2,142,273
Other	31,606	28,056
Total revenue	\$ 1,029,610	\$ 2,778,113

10. Commitments and contingent liabilities:

In the normal course of business, the District enters into commitments for both capital and operational expenses. These commitments have been budgeted for within the appropriate annual financial plan and have been approved by Council.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

10. Commitments and contingent liabilities (continued):

(a) Municipal Finance Authority debt reserve fund deposits:

Under borrowing arrangements with the MFA, the District 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 totaling \$129,138 (2014 - \$125,914) are included in the District's financial assets as other assets 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 District. At December 31, 2015 there were contingent demand notes of \$272,296 (2014 - \$272,296) which are not included in the financial statements of the District.

(b) The CRD debt, under the provision 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.

(c) The District is a shareholder and member of the Capital Regional Emergency Service Telecommunications ("CREST") Incorporated whose services provide 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.

(d) As part of the normal course of business, the District has entered into various agreements and contracts for services with periods ranging up to five years. These amounts will be recorded in the accounts in the period that the goods and services are received.

(e) The District entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 2002. Under the terms of this contract, the District is responsible for 70% of policing costs. The 2016 estimated cost of this contract is \$1,702,497.

(f) The District has entered into an agreement with its sewer utility operator which expires on September 30, 2016. Annual operating fees are estimated at \$1,138,489 in 2016. Operating fees for the 2014 - 2016 period will be determined based on budgets established from the base operating fees in 2011 - 2012.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

10. Commitments and contingent liabilities (continued):

- (g) The District is a defendant in various lawsuits. 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 remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The District is covered through an independent insurance program against certain claims.

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 jointly share claims against any member in excess of their deductible. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit. The District's deductible is \$10,000.

11. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2015 operating and capital financial plans approved by Council on May 11, 2015. The following reconciles the approved financial plan to the figures reported in these financial statements.

	Financial plan amount
Revenues:	
Financial plan, as approved by Council	\$ 18,961,974
Less:	
Transfers from other funds	4,825,139
Amortization offset	2,487,890
Total revenue	11,648,945
Expenses:	
Financial plan, as approved by Council	18,961,974
Less:	
Capital expenditures	4,910,834
Transfer to other reserves	2,158,625
Debt principal payments	404,987
Total expenses	11,487,527
Annual surplus	\$ 161,418

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

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

12. Restatement of comparative information:

Certain comparative figures have been corrected to adjust balances previously classified as deferred revenue and accounts payable to surplus reserve accounts. The impact of this adjustment is a reduction in deferred revenue and accounts payable of \$336,238 and a corresponding increase in opening accumulated surplus in fiscal 2014.

13. Segmented information:

The District is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the District's operations and activities are organized and reported by service areas. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government:

General government is comprised of Corporate Services, Finance, Human Resources and Information Technology. This segment also includes any other functions categorized as non-departmental.

(b) Protective services:

Protective services is comprised of three different functions, including the District's emergency management, fire, and police services. The emergency management agency prepares the District to be more prepared and able to respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. Policing services are provided to the District under a long term agreement with the Royal Canadian Mounted Police.

(c) Engineering:

The Engineering Department is responsible for the planning, design and construction of the District's infrastructure. This department, working closely with the Planning Department, ensures that the District is developed in a fashion consistent with the Official Community Plan while at the same time making sure that good engineering practices are maintained.

(d) Recreation and culture:

Recreation and culture is responsible for the construction and maintenance of the District's parks and greenspaces. This includes formal parks such as Ed Macgregor Park and the Marine Boardwalk, local play parks and numerous natural areas such as Whiffin Spit Park.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

13. Segmented information (continued):

(e) Planning and development:

Development work to achieve the District's community planning goals and economic development through the official community plan, and other policy initiatives. This segment also includes the municipal Geographic Information System function which provides mapping and property information to District of Sooke staff and to the public.

(f) Sewer:

The sewer protects the environment and human health from the impacts of liquid wastes generated as a result of human occupation and development in the District.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The General Fund reports on municipal services that are funded primarily by taxation such as property taxes and other tax revenues. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

13. Segmented information (continued):

2015	General Government	Protective Services	Engineering	Recreation and culture	Planning and development	Sewer	Total
Revenue:							
Taxation	\$ 7,363,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,363,863
User charges	361,588	326,401	147,413	-	132,523	2,268,004	3,235,929
Government transfers	250,090	460,976	563,185	-	-	-	1,274,251
Investment income	196,862	-	-	-	-	-	196,862
Other	-	-	1,872,917	-	-	-	1,872,917
Total revenue	8,172,403	787,377	2,583,515	-	132,523	2,268,004	13,943,822
Expenses:							
Salaries and wages	1,144,139	933,994	713,415	-	437,964	-	3,229,512
Contracted and general services	242,355	1,569,163	421,704	911,930	224,321	1,073,207	4,442,680
Supplies and materials	645,760	355,880	125,331	-	7,386	23,140	1,157,497
Interest and bank charges	47,224	43,214	-	-	-	389,840	480,278
Amortization	138,664	198,587	1,445,087	204,019	-	620,837	2,607,194
Total expenses	2,218,142	3,100,838	2,705,537	1,115,949	669,671	2,107,024	11,917,161
Annual surplus (deficit)	\$ 5,954,261	\$ (2,313,461)	\$ (122,022)	\$ (1,115,949)	\$ (537,148)	\$ 160,980	\$ 2,026,661

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2015

13. Segmented information (continued):

2014	General Government	Protective Services	Engineering	Recreation and culture	Planning and development	Sewer	Total
Revenue:							
Taxation	\$ 7,012,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,012,071
User charges	341,637	356,258	998,523	-	97,105	2,201,024	3,994,547
Government transfers	232,936	302,357	2,475,756	-	-	-	3,011,049
Investment income	196,027	-	-	-	-	-	196,027
Other	-	-	1,974,221	-	-	-	1,974,221
Total revenue	7,782,671	658,615	5,448,500	-	97,105	2,201,024	16,187,915
Expenses:							
Salaries and wages	1,102,356	849,318	706,250	-	484,673	-	3,142,597
Contracted and general services	261,046	1,737,782	392,796	815,953	209,958	1,084,517	4,502,052
Supplies and materials	725,681	288,326	175,113	-	11,253	17,635	1,218,008
Interest and bank charges	33,570	53,914	-	-	-	389,840	477,324
Amortization	138,666	222,256	1,478,166	186,990	-	614,839	2,640,917
Total expenses	2,261,319	3,151,596	2,752,325	1,002,943	705,884	2,106,831	11,980,898
Annual surplus (deficit)	\$ 5,521,352	\$ (2,492,981)	\$ 2,696,175	\$ (1,002,943)	\$ (608,779)	\$ 94,193	\$ 4,207,017

District of Sooke

Statement of Financial Information for the year ended December 31, 2015

Remuneration, Wages and Expenses

Name	Position	Remuneration	Expenses (Note 1)		
			(paid directly)	(paid indirectly)	Total
Tait, Maja	Mayor	18,756.96	328.59	1,399.07	1,727.66
Berger, Beverly	Councillor	10,159.89	-	-	-
Kasper, Rick	Councillor	10,159.89	1,293.10	5,670.33	6,963.43
Parkinson, Brenda	Councillor	10,159.89	1,646.61	4,139.24	5,785.85
Pearson, Kevin	Councillor	10,159.89	-	261.00	261.00
Reay, Kerrie	Councillor	10,159.89	-	-	-
Logins, Ebony	Councillor	10,159.89	363.33	4,143.95	4,507.28
Totals		\$ 79,716.30	\$ 3,631.63	\$ 15,613.59	\$ 19,245.22

Employees with Gross Salary Greater than \$75,000

Name	Position	Wages > \$75,000	Expenses (Note 1)
Barney, Matthew	Assistant Fire Chief	\$ 149,613.79	\$ 1,552.72
Blackhall, Robert	Deputy Director of Finance	92,129.48	3,459.20
Dillabaugh, Michael	Director of Finance	112,296.34	11,251.39
Goble, Brian	Head of Geographic Services	82,988.41	754.39
Hooper, Laura	Parks Coordinator	78,653.39	1,131.66
Howie, Gordon	CAO	149,554.69	12,020.88
McCrea, Christopher	Firefighter	112,747.70	450.00
McLeod, Richard	Deputy Fire Chief	148,768.51	75.00
Nelson, Elisabeth	Municipal Engineer	117,515.17	3,642.04
Norris-Jones, Cameron	Firefighter	118,136.24	633.87
Sorensen, Steve	Fire Chief	110,622.03	3,649.47
Sprinkling, Bonnie	Corporate Officer	97,202.41	4,454.81

**Total: Employees with remuneration
Greater Than \$75,000**

\$ 1,370,228.16 \$ 43,075.43

**ADD: Employees with remuneration
Less Than \$75,000**

1,190,639.49 17,618.13

TOTAL: EMPLOYEES

\$ 2,560,867.65 \$ 60,693.56

Summary

	Remuneration & Wages	Expenses
Elected Officials	\$ 79,716.30	\$ 19,245.22
Employees	2,560,867.65	60,693.56
TOTAL	\$ 2,640,583.95	\$ 79,938.78

Total wages from 2015 T4's \$ 2,640,583.95

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

Note 2: Salaries and Wages are reported in Note 13 to the 2015 Audited Financial Statements and includes accruals and other wage related accounting entries.

District of Sooke

Statement of Financial Information for the year ended December 31, 2015

Schedule Showing Total Paid to Each Supplier For Payments Exceeding \$25,000

Supplier Name	Amount
4-M Bobcat & Trucking Ltd Total	\$34,480.63
Arterra Landscaping Total	\$104,515.18
Associated Engineering (BC) Ltd	\$100,238.27
Associated Fire Safety	\$25,938.46
BC Assessment Authority	\$137,095.76
BC Hydro	\$130,554.01
BC Transit	\$642,024.63
British Columbia Unclaimed Property Society	\$46,426.52
Capital Reg. Emerg. Serv. Telecommunications - CREST	\$43,957.00
Capital Regional District	\$3,588,830.18
Capital Regional District-Water Dept DCC	\$211,036.82
Capital Regional Hospital District	\$666,268.80
CIBC - VISA	\$78,152.24
CRD Water Department	\$105,792.54
Desjardins Financial Security - Benefits	\$192,492.71
Dominion GovLaw LPP	\$45,884.13
EPCOR Water (West) Inc - Wastewater Contract	\$1,148,303.35
KPMG Chartered Accountants	\$31,500.00
Kroppmanns, Rebecca	\$80,274.84
Lamont Land	\$57,172.24
Lidstone & Company	\$118,454.47
Mainroad South Island Contracting Ltd. - Road Maintenance	\$271,181.77
M'akola Housing Society	\$88,155.20
McElhanney Consulting Services Ltd	\$99,456.00
Minister of Finance	\$90,726.14
Municipal Insurance Association of British Columbia	\$173,879.49
Municipal Pension Plan	\$448,763.67
Pedneault, Julie	\$50,045.16
Pedneault, William and George	\$107,129.74
Prestige Sooke Holdings Ltd	\$237,000.00
Province of BC - School tax	\$2,376,140.96
R Howat Consulting	\$53,145.60
R.C.M.P.	\$1,560,016.89
Receiver General for Canada	\$739,947.88
Revenue Services of British Columbia - MSP	\$41,616.00
Rocky Mountain Phoenix	\$36,425.10
School District #62 (Sooke)	\$69,731.83
Sinclair, Angela	\$42,414.83

District of Sooke

Statement of Financial Information for the year ended December 31, 2015

Schedule Showing Total Paid to Each Supplier For Payments Exceeding \$25,000

Supplier Name	Amount
Sooke Backhoe Services Ltd	\$186,854.70
Sooke Community Association	\$33,422.50
Sooke Fire Fighters Association	\$55,989.73
Steve's Portable Sawmill & Tree Service	\$82,890.73
The Tempest Development Group Inc.	\$40,718.10
Vancouver Island Regional Library	\$549,308.00
Total Aggregate for Suppliers over \$25,000	\$15,024,352.80
Total Aggregate for Suppliers under \$25,000	\$1,474,963.45
Total Supplier payments	\$ 16,499,316.25

Note 1: The financial statements are prepared on an accrual basis and do not include payments made on behalf of other agencies. The breakdown of expenses is included in Note 13 to the 2015 Audited Financial Statements.

District of Sooke

Statement of Financial Information for the year ended December 31, 2015

Schedule of grants paid in 2015:

Category A grants (annual grants - program type)

1	EMCS Society for the Sooke Youth Council	\$7,000.00
2	Sooke Residents in Need Society - Victims Services	\$8,323.00
3	Sooke Region Food CHI	\$7,000.00
4	Sooke Fine Arts Society	\$7,000.00
5	NEED2 - Suicide Prevention, Education and Awareness	\$3,184.00
6	Sooke Food Bank Society	\$6,561.00
7	Citizens on Patrol/Speedwatch Sooke	\$2,800.00
8	JDF Park Watch Society	\$5,000.00
9	Sooke Community Arts Council	\$4,000.00
10	Sooke Lions Club - Canada Day	\$5,000.00
11	Sooke Family Resource Society	\$5,000.00
12	Vancouver Island South Film and Media Commission	\$1,000.00
13	Sooke Transition Town Society	\$1,225.00
14	Greater Victoria Bike to Work Week	\$300.00
		<hr/>
		\$63,393.00

Category B grants (project type)

1	Ecole Poirier Elementary PAC	\$7,000.00
2	Girl Guides of Canada	\$2,500.00
3	Sooke Transition Town Society	\$4,000.00
4	Sooke Fine Arts Society	\$500.00
5	Sooke Food Bank Society	\$3,075.00
6	EMCS School Arts Department	\$1,925.87
7	Sooke Youth Show Choir	\$2,982.56
8	Sooke Community Choir Society	\$2,371.60
9	Sooke Food Bank Society	\$7,000.00
10	Sooke Transition Town Society	\$300.00
11	Sooke Transition Town Society	\$500.00
		<hr/>
		\$32,155.03