



2015 Annual Report



2015 Audited Financial Statements & Progress Report 2016 & 2017 Objective Reports

District of Sooke 2015 Annual Report

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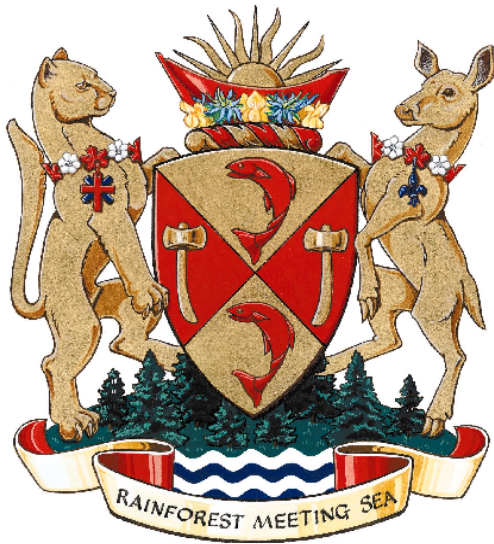
PRESENTED BY DISTRICT OF SOOKE COUNCIL, June 13, 2016 in accordance with sections 97-99 of the *Community Charter*.

An electronic version (PDF) of this report is available on the District of Sooke web site, www.sooke.ca

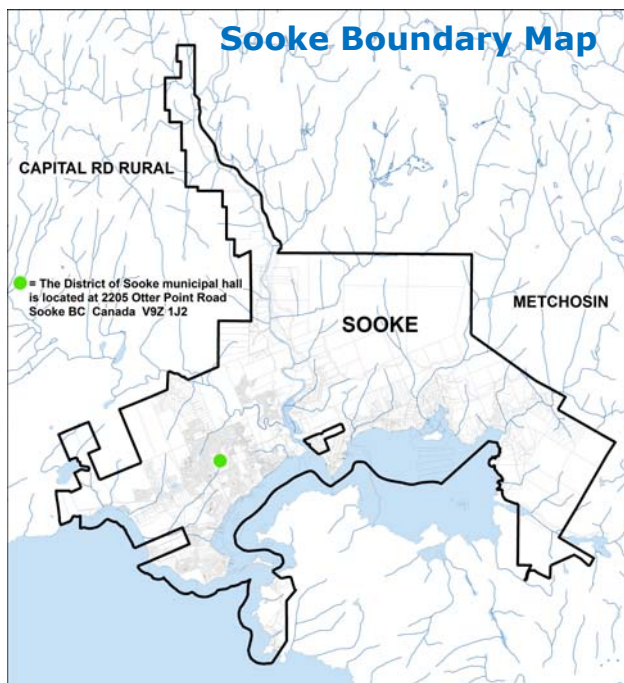
For more information, please contact:

District of Sooke
2205 Otter Point Road
Sooke, B.C. V9Z 1J2
Tel: 250-642-1634
Email: info@sooke.ca

DISTRICT OF SOOKE COAT OF ARMS



**Armorial Bearings of the
District of Sooke
granted by the
Chief Herald of Canada
on September 16, 2002**



Arms (Shield)

The red and gold of the arms are the colours of Royal Spain and hence refer to the first European contact. Gold also symbolizes the wealth derived from the historically important industries of fishing and forestry which are represented by salmon and axes, and refers to the Leech River gold rush. The diagonal design of the arms echoes the basic division of the flag of Scotland and represents the Scottish who were the first European settlers in Sooke.

Crest (above the shield)

The canoe honours the people of the T'Sou-ke First Nation and their traditional lifeways. The sun refers to the sunset over the ocean as well as the sun in the flag of British Columbia. The camas was an important plant to the First Nation and the broom refers to Captain Grant, the first European settler.

Motto

At the base of the design, "RAINFOREST MEETING SEA" is a shortened version of "Where the Rainforest meets the Sea."

Compartment and Supporters

The compartment is a visual representation of the theme "Where the Rainforest Meets the Sea." The cougar is an important native animal and its collar refers to Sooke being a Canadian municipality in British Columbia. The pendent crosses are of England and Scotland, referring to British settlers. The deer is also an important native animal, while the fleur-de-lis refers to French Canadian settlers. The animals stand and the shield rests on a mound set with Douglas Firs rising above the sea.



Located on Vancouver Island overlooking the Juan de Fuca Strait and Olympic Mountains range and encompassing approximately 5,800 hectares of land, the District of Sooke is a short 40-minute drive from downtown Victoria, the capital city of British Columbia. The community's approximately 11,435 residents (2011 Census) enjoy a relaxed, casual lifestyle in a rural setting that also affords many of the amenities of city life. The T'Sou-ke Nation also reside in the area along the eastern shores of the Sooke River, Sooke Basin, as well as the lands along the Strait of Juan de Fuca.

Sooke's once resource-dependent economy has shifted focus to include many home-based businesses, a commercial core, and a bustling tourism sector which annually entertains thousands of visitors from throughout the world. Sooke is the gateway to numerous ecotourism adventures as well as the West Coast Trail, Juan de Fuca Marine Trail, and Galloping Goose Trail.

Sooke enjoys some of the mildest climate in western Canada, with warm and dry summer months, and wet, mild winter months, allowing residents and visitors alike to enjoy many amenities. These include, but are not limited to, DeMamiel Creek Par 3 Golf Course, Whiffin Spit Park, Sooke Park, Sooke River Campground, Rotary Skateboard Park, SEAPARC's Bike Park and Leisure Complex (ice arena & aquatic centre), Sunriver Community Garden, Sooke Region Museum and Visitor Centre.

Sooke supports a vibrant and varied arts community. Many talented artists and craftspeople create beautiful works from both home-based studios and galleries in the commercial core. Musicians of every genre, from symphonic to choral to bluegrass, perform at a variety of events throughout the year. They share the stage with an enthusiastic theatre community at many venues — Edward Milne Community Theatre, Ed Macgregor outdoor theater and local churches and parks.

The volunteer spirit pulls residents together for numerous special events like the Rotary Spring Fair, Sooke Canada Day celebration, Sooke Fine Arts Show, Sooke Philharmonic Orchestra "Fling", Blue Grass Festival, and Sooke Fall Fair. But that volunteer spirit doesn't end with special events. Hundreds of residents share their time and talents with dozens of community groups offering something special for their fellow residents.

Visitors to our community enjoy the beauty the Sooke region has to offer, one main reason so many are proud to call Sooke home.

For Sooke visitor or event information refer to the Sooke Visitor Centre web site: www.sookeregionmuseum.ca.



Mayor Maja Tait

Message from Mayor & Council

On behalf of the District of Sooke, it is our pleasure to introduce the 2015 Annual Report which sets out priorities for our community's future and highlights successes of the past year's remarkable achievements.

We have successfully initiated significant infrastructure improvements in our Town Centre with the roundabout, sidewalks and intersection improvements. As the final touches of landscaping are planted, planning the next phase of works heading westward along Sooke Road is now underway. The Royal Bank has opened its new branch; showcasing Sooke's Town Centre design guidelines and a variety of other businesses have established themselves within the Town Centre and are now contributing to its overall vitality.

Building permit values increased by year-end to an impressive \$251,820.81 and building permit applications are up approximately 25% in the first quarter of 2016 over the same period in 2015. Our natural assets continue to attract investment and 2016 is projected to set record levels of activity that will provide employment and opportunities for our residents.

Council is committed to building a healthier future for our children. Construction of the Galloping Goose connection trail from Sooke River Road Park and ride is underway with opening planned for June 2016. This link will provide a safe connection for trail users to access the Goose and enjoy the Sooke Potholes Park by non-motorized means of travel. While SEAPARC's grant application for an all-weather field at Fred Milne Park was unsuccessful, Council has actively initiated plans to allocate funding from our reserves in 2016.

Following the 2014 referendum results, Council welcomed representatives from Kinder Morgan to Council Chamber to hear about their plans should the National Energy Board give approval to the Trans Mountain Pipeline. The Committee of the Whole was well attended by concerned residents who delivered their concerns to the representatives.

Council formed a number of committees to assist with its objectives and goals during its first full year of our four-year term: Community Centre Advisory Committee, Parks and Trails Committee, Sooke Fire Services Commission, Long Term Financial Planning Committee, and re-established the Sooke Program of the Arts Committee. In addition, The Mayor's Primary Health Working Services Group continues to meet to advocate for improved health services for the Sooke Region. We anticipate receiving recommendations in 2016 and thank the committees for their contributions.

Council and Staff has completed our 2016 – 2020 Five Year Financial Plan and achieved a 0.85% tax impact for municipal taxes in 2016 this has been achieved in the current year while setting aside \$456,313 into reserves for future needs.

Within the District operations, Council is pleased to welcome Ms. Teresa Sullivan as our new Chief Administrative Officer. Working closely with Council, Ms. Sullivan will realize Council's Strategic Plan while streamlining District operations.





As we reflect on the many achievements of 2015, it is clear that Sooke has a great base to build for a bright future. Thank you to all our residents, business leaders and not-for-profit organizations for the exceptional contributions you continue to give to our community's well being. Many thanks to the District of Sooke staff and contractors for your outstanding efforts and commitment to service excellence. Together, District of Sooke Council looks forward to exceeding expectations for the future of our dynamic community.

With kind regards,

Maja Tait
Blende Pathasiri
Ken Pearson
B. Berger
E. [Signature]
A. Reay
R. Kasen



Council Committee Appointments

Mayor Maja Tait		<ul style="list-style-type: none"> • District of Sooke Long Term Financial Planning Committee • Primary Health Care Services Working Group (Chair) • Capital Regional District Board (Director) • Capital Regional District Hospital Board (Director) • District of Sooke and T'Sou-ke Nation MOU Working Group • Pacific Marine Circle Route-Consortium of Communities • Te'mexw Treaty Advisory Committee (Vice-Chair) • Sooke and Electoral Area Parks and Recreation Commission (Director) <p>Elected to Council in 2008 before being elected as Mayor in 2014.</p> <p>mtait@sooke.ca</p>
Councillor Bev Berger		<ul style="list-style-type: none"> • Community Grant Review Committee • Sooke and Electoral Area Parks & Recreation Commission • Capital Regional District Board (Alternate Director) • Capital Regional District Hospital Board (Alt. Director) • Juan de Fuca Water Distribution Commission (Alternate) <p>Elected to Council in 2008</p> <p>bberger@sooke.ca</p>
Councillor Rick Kasper		<ul style="list-style-type: none"> • District of Sooke Hiring Committee • District of Sooke Long Term Financial Planning Committee • Capital Regional Water Supply Commission • District of Sooke Long Term Financial Planning Committee • Capital Regional District Board (Interim Director) • Capital Regional District Hospital Board (Interim Director) • Sooke and Electoral Area Parks and Recreation Commission (Interim Director) <p>Re-elected to Council in 2011</p> <p>rkasper@sooke.ca</p>
Councillor Ebony Logins		<ul style="list-style-type: none"> • Sooke Community Centre Advisory Committee • District of Sooke Climate Change Action Committee • Capital Regional District-Climate Action Steering Committee • District of Sooke and T'Sou-ke Nation MOU Working Group • Sooke Region Tourism Association • Victoria Family Court Committee & Youth Justice Committee • Wildlife Conflict Reduction Working Group • Vancouver Island Regional Library Board (Alternate) <p>Elected to Council in 2014</p> <p>elogins@sooke.ca</p>

Councillor Brenda Parkinson



- Sooke Parks and Trails Advisory Committee
- Sooke Program for the Arts (SPA) Committee
- Sooke Emergency Planning Committee
- Capital Regional District - Regional Housing Trust Fund Commission
- Capital Regional Water Supply Commission (Alternate)
- Capital Regional District-Climate Action Steering Committee (Alternate)
- CRD MOU Working Group
- District of Sooke & T'Sou-ke Nation MOU Working Group
- Sooke Region Historical Society
- Te'mexw Treaty Advisory Committee (Alternate)

Re-elected to Council in 2014

bparkinson@sooke.ca

Councillor Kevin Pearson



- District of Sooke Hiring Committee
- Juan de Fuca Water Distribution Commission
- ORV Local Government Working Group

Elected to Council in 2011

kpearson@sooke.ca

Councillor Kerrie Reay



- District of Sooke Hiring Committee (Chair)
- Community Grant Review Committee (Chair)
- District of Sooke Long Term Financial Planning Committee
- Vancouver Island Regional Library Board
- Sooke Community Association
- Capital Region Emergency Services Telecommunication (CREST)
- Sooke and Electoral Area Parks & Recreation Commission (Alternate)

Elected to Council in 2011

kreay@sooke.ca

How to Contact Council:

Written submissions may be mailed, faxed, or emailed to:

Mayor and Council
District of Sooke
2205 Otter Point Road
Sooke, B.C. V9Z 1J2
Fax: 250-642-0541
Email: mayorandcouncil@sooke.ca

Tel: 250-642-1634



Message from the CAO

Staff is proud to present the District of Sooke's *2015 Annual Report* wherein you can find accurate financial information related to the business of the District.

I have met with over 350 people since joining the District of Sooke on December 14, 2015. I have come to learn that residents are passionate about their community and are proud of the richness of the natural beauty that surrounds them.

Residents also understand that the District is poised for significant growth and change, with the Mayor and Council's focus being on densification of the Town Core and along the Harbor View waterfront.

Residents want to be involved in how the District develops and in ensuring the community maintains its natural, family friendly feel as it enjoys the benefits of growth.

I am proud to be working with your Mayor and Council to realize the objectives set out in the District of Sooke's Strategic Plan:

- Fiscal sustainability
- Excellence in management and governance
- Community planning
- Economic prosperity
- Enhancing community livability

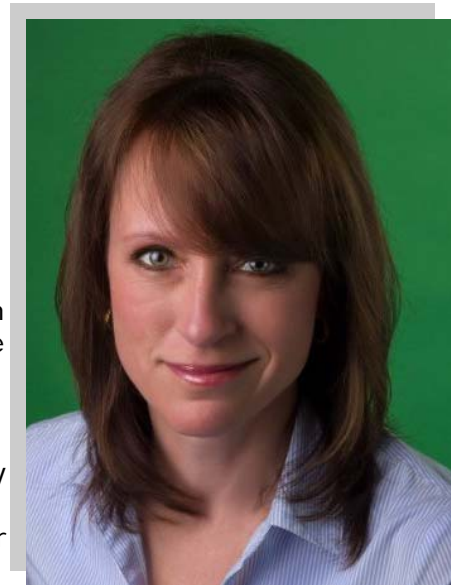
In early 2016, I conducted an operational review and am proud to say District staff have a new leadership team in place and are excited about providing excellent customer service. I have reorganized departments in an effort to streamline business processes to create efficiencies. We are hearing positive feedback from the community and thank you for your support.

The question I often ask staff is, 'how do we get to yes?' Each and every day I am impressed with the creative ideas that come from every staff member in our organization. I am proud of our team and thank them for all of their hard work and dedication to the District of Sooke.

This year we will focus on 'refreshing' our *Official Community Plan* and we look forward to getting your input. We are also working on a *Communications Plan* to better engage our public, and a *Risk Management Plan* to better protect our assets.

You will continue to see change as we continuously strive for improvement. Please do not hesitate to contact me, should you have any questions or concerns.

Sincerely,



Teresa Sullivan
Chief Administrative Officer
tsullivan@sooke.ca

2015 District of Sooke Strategic Plan

The District of Sooke Strategic Planning process was a significant highlight for 2015. The corporate planning process helps to guide the District's short term corporate decision-making, corporate work plan, and the five year financial plan implementation processes.

The goal of the 2015 Strategic Plan was to identify and document the priorities of the corporation for a four year period, and to lay the foundation and internal structures for the development of detailed longer-term work plans. The Strategic Plan indicates a commitment by Council to providing the best possible local government for Sooke citizens and its business community. Council approved and released the District of Sooke Strategic Plan on December 7, 2015 which developed the following five guiding principles:



FISCAL SUSTAINABILITY - THE DISTRICT WILL WORK TOWARDS LONG-TERM FINANCIAL SUSTAINABILITY. IT WILL PREPARE FOR THE FUTURE BY ENSURING ADEQUATE CONTRIBUTIONS ARE MADE TOWARDS REQUIRED LONG-TERM CAPITAL INFRASTRUCTURE NEEDS, WHILE LIVING WITHIN OUR MEANS.

- PROACTIVELY PLAN FOR REPLACEMENT OF OUR INFRASTRUCTURE
- DETERMINE LEVELS OF SERVICE AND PROPERLY FUND
- BUILD CAPACITY IN OUR COMMUNITY BY SUPPORTING INITIATIVES THAT SUPPORT SUSTAINABILITY



EXCELLENCE IN MANAGEMENT AND GOVERNANCE- THE DISTRICT WILL USE BEST PRACTICES TO ENSURE EXCELLENCE IN MANAGEMENT AND GOVERNANCE

- FOCUS ON GOOD GOVERNANCE
- ENHANCE OUR COMMUNICATION WITH OUR RESIDENTS
- ENSURE WE ARE PROPERLY STRUCTURED AND RESOURCED TO MEET THE COMMUNITY'S NEEDS



COMMUNITY PLANNING- THE DISTRICT WILL WORK TOWARDS STREAMLINING PLANNING PROCESSES TO ENCOURAGE INVESTMENT AND JOB GROWTH IN THE COMMUNITY.

- OUR OFFICIAL COMMUNITY PLAN IS CRITICAL TO OUR COMMUNITY VISION AND WE WILL ENSURE IT STAYS CURRENT
- ENSURE OUR BYLAWS REFLECT COMMUNITY NEEDS AND VALUES



ECONOMIC PROSPERITY - THE DISTRICT WILL WORK TOWARDS DEVELOPING APPROPRIATE MECHANISMS TO FACILITATE AND PROMOTE LONG-TERM COMMUNITY ECONOMIC PROSPERITY.

- PROACTIVELY PURSUE ECONOMIC OPPORTUNITIES
- FOCUS ON BEING CONSISTENT IN OUR DECISION MAKING
- ENSURE OUR CRITERIA ARE REFLECTIVE OF OUR COMMUNITY'S NEEDS
- IMPROVE OUR CUSTOMER SERVICE FOCUS



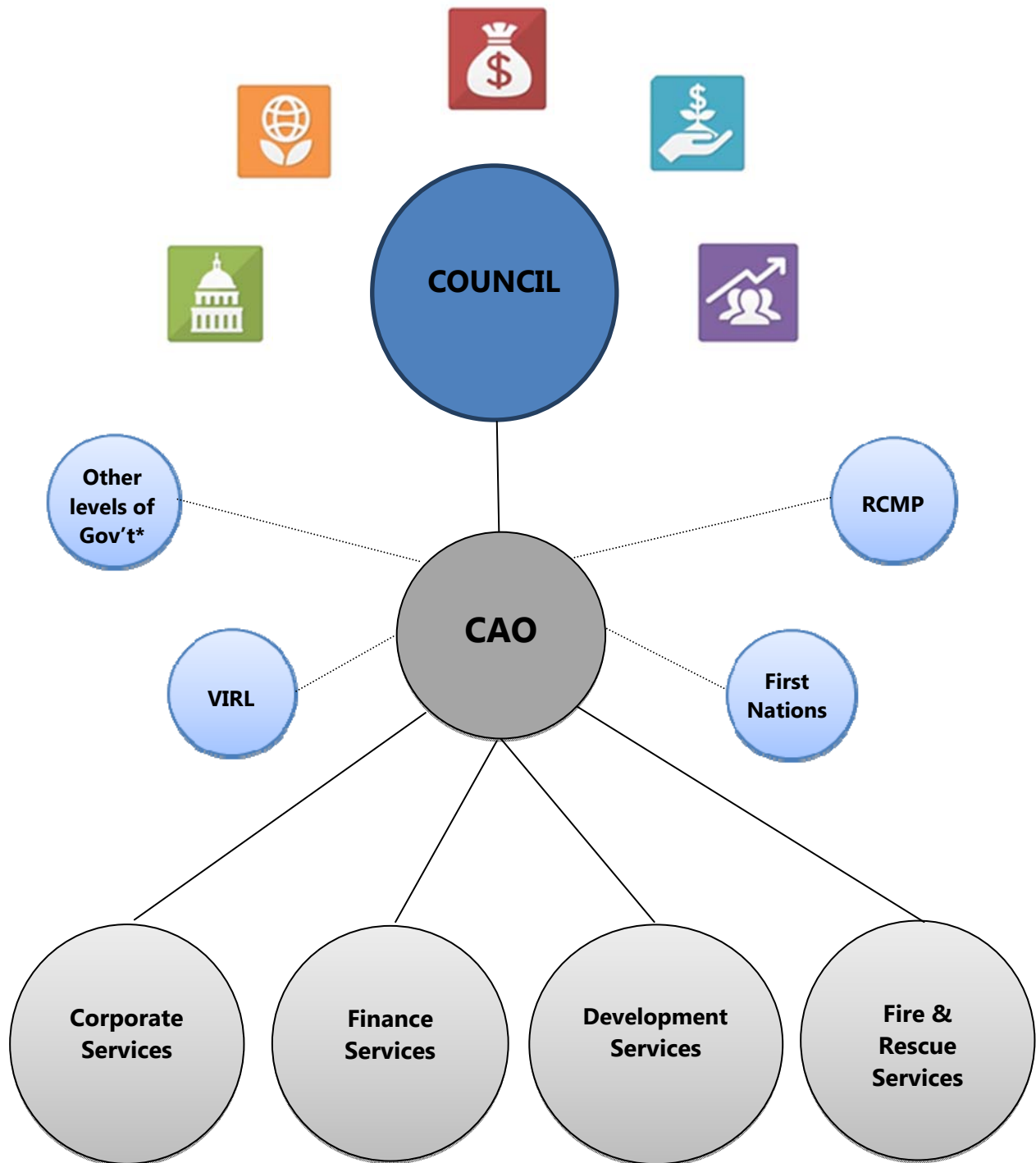
ENHANCING COMMUNITY LIVABILITY- THE DISTRICT WILL WORK TOWARDS MAKING SOOKE A VIBRANT AND ACCESSIBLE COMMUNITY

- FOCUS ON MAKING THE TOWN CENTRE VIBRANT AND ACCESSIBLE
- IMPROVE OPPORTUNITIES FOR RESIDENTS TO GATHER AND CONNECT
- TAKE STEPS TO PROTECT SOOKE'S NATURAL BEAUTY

For more information about the Strategic Plan, please refer to the District's website: www.sooke.ca

(under the "Municipal Hall" tab and "Plans & Reports")

2016 District of Sooke Organizational Chart



* Other Levels of Government may include Federal, Provincial or Municipal Levels (ie: CRD, MoTI, etc.)



The following year end report of departmental operations for 2015 are presented in accordance with the *Community Charter* section 97 requirement.

- √ 2015 Department Reports
 - Corporate Services
 - Financial Services
 - Development Services
 - Fire & Rescue Services
- √ Other Reports for 2015
 - Police Services (RCMP)
 - Community Grant Overview
 - Parks, Trails, & Other Services
 - Collaborative Projects Overview and Summary
 - Declaration and Identification of Disqualified Council Members
- √ 2016 & 2017 Department Objectives & Measures
- √ 2015 Permissive Property Tax Exemptions
- √ Audited Financial Statements 2015

Corporate Services

The Corporate Services team works closely with the Chief Administrative Officer and Council, and provides key services to all staff in the organization, as well as the public. The department is comprised of a Director and six staff, who are responsible for:

- Meeting management (including all agendas, meeting packages and minutes)
- Interpreting and providing advice on bylaws, procedures, legislation and policies
- Staffing the front desk for all public inquiries
- Ensuring accurate records management practices
- Responding to Freedom of Information and Protection of Privacy requests
- Bylaw enforcement
- Human resources
- Web site and social media
- Election processes
- Business Licencing



Photo Credit: Kevin Laird

Gabryel Joseph
Director of Corporate Services
Acting Corporate Officer
gjoseph@sooke.ca

2015 Highlights:

Council Meetings

Regular Council	18
Committee of the Whole	17
Special Council	14
Public Hearings	6
Bylaws Adopted	15

Committee Meetings

Board of Variance	1
Climate Action Change	3
Hiring Committee	4
Emergency Planning	3
Program for the Arts	1
Parks & Trails Advisory	4
Community Grant Review	3
Community Centre Advisory	6

Business Licences 718
(renewals & new-up 17% from 2014)

Bylaw Enforcement

	Voluntary compliance	Written warnings	Municipal tickets
Bylaw Complaints (Total 222 - down 9% from 2014)	218	0	4
Parking Complaints (Total 88)	75	13	0
Business License Complaints (Total 10)	10	0	0



Financial Services

The Financial Services Department is responsible for the overall financial administration of the District of Sooke including accounting and auditing services, payroll, and revenue services such as processing of property taxes, utility billings, dog licences, business licences and other fees. It is also responsible for the management of the corporation's information technology (IT) systems. The department is staffed by a Director, two accounting clerks and one IT Systems Specialist. Specific responsibilities include:

- Financial planning, reporting, analysis and advice
- Property Taxes
- Permissive Tax Exemptions
- Accounting and payroll
- Asset Management
- System of internal controls
- Cash management, including investments and debt functions
- Risk Management and claims
- Community grants administration
- Preparation of financial statements for audit
- Statement of Financial Information (SOFI) Report
- Home Owner Grant Act and School Act compliance reports for audit
- Gas Tax, Climate Action and other required provincial reporting



Brent Blackhall
Director of Financial Services
(Financial Officer)
bblackhall@sooke.ca



2015 Highlights

The District's operating results were positive for 2015. Revenues exceeded expenses by \$2 million, mainly from developer contributed assets. The District's accumulated surplus at the end of 2015 is \$100.7 million, consisting of \$95 million equity in tangible capital assets, \$2.5 million of operating surplus and \$3.2 million in reserves. The District received an unqualified audit opinion on its financial statements from its auditors, KPMG, which forms part of the *District of Sooke 2015 Annual Report* (refer to page 43).

There were **6,062 tax notices generated** in 2015 compared with 5,972 in the previous year. A total of **3,697 Home Owner Grants** were claimed, 1,485 of which were claimed on-line on the District's website. The District's Online Services page contains access to the electronic Home Owner Grant (HOG) form and to property information reports (tax levies by property). There were 320 participants in the District's property tax Pre-Authorized Withdrawal System (PAWS), an increase of 10%. The Finance Department web page on the District's web site has information on how to apply for this monthly withdrawal program. The number of deferred tax applications has remained fairly consistent with 138 applications received in 2015. **Permissive tax exemptions for 2015 totalled \$357,739** and are reported in table format at the end of this document (refer to page 41).

The District made **payments to 512 vendors in 2015 and issued 1,677 cheques**. The Statement of Financial Information (SOFI) report, published annually by June 30 each year, contains information on Council and Staff remuneration and expenses, supplier payments in excess of \$25,000, and a statement of debts and guarantees issued by the District. This report can be found on the District Reports web page on the District's web site, www.sooke.ca (under the "Municipal Hall" tab, then "Plans & Reports", District Reports")

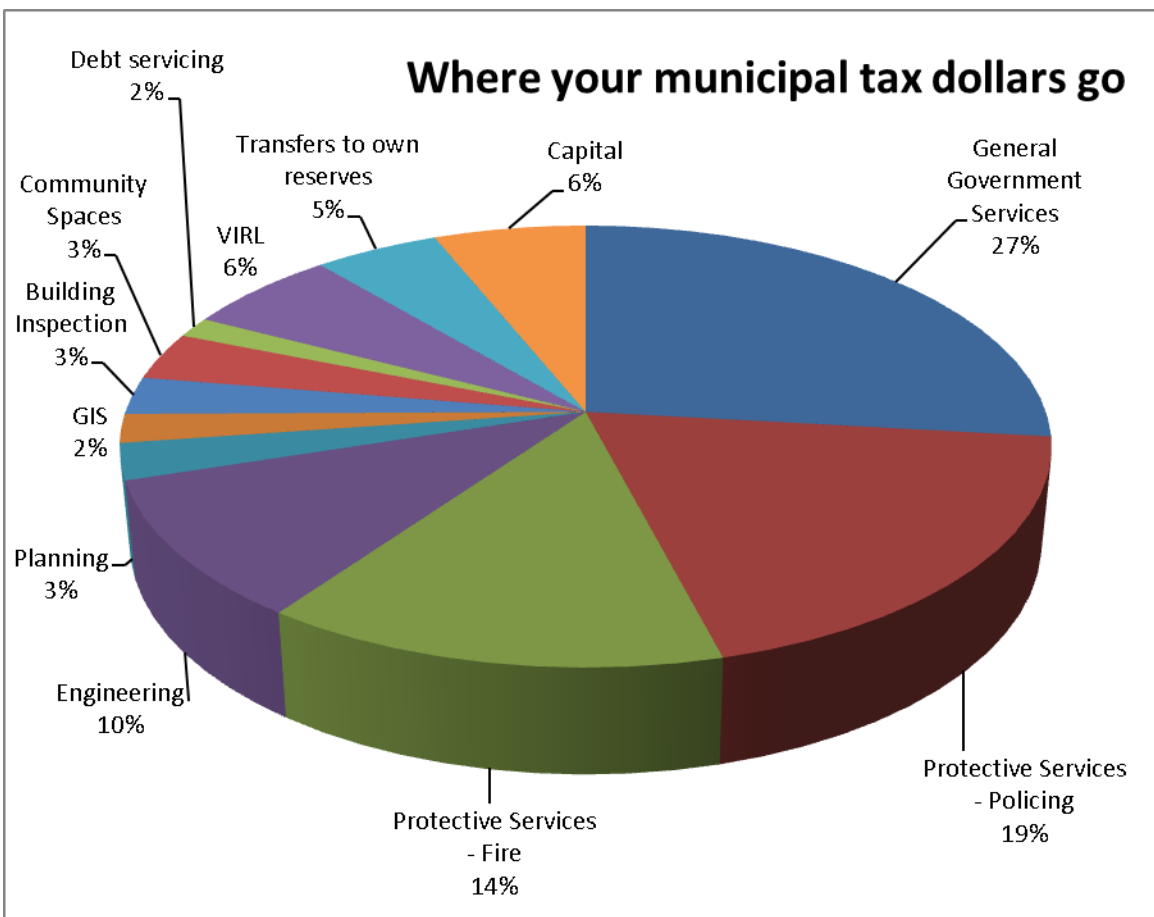
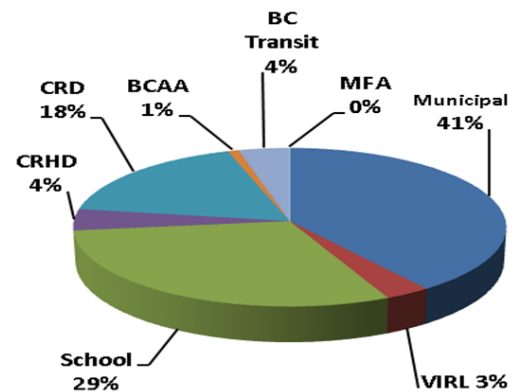
2015 was also a busy year with the District's IT systems. Staff replaced aging file storage hardware to provide fast and dependable storage for the next five years. Staff also implemented several IT security measures that will better protect the District's internal network. The District implemented SharePoint as its electronic records management solution; this migration involved moving over 180,000 files into new document libraries classified using the LGMA filing system. New server hardware and upgrades of virtual servers was also carried out and will help position the District to more efficiently deliver services to the community.

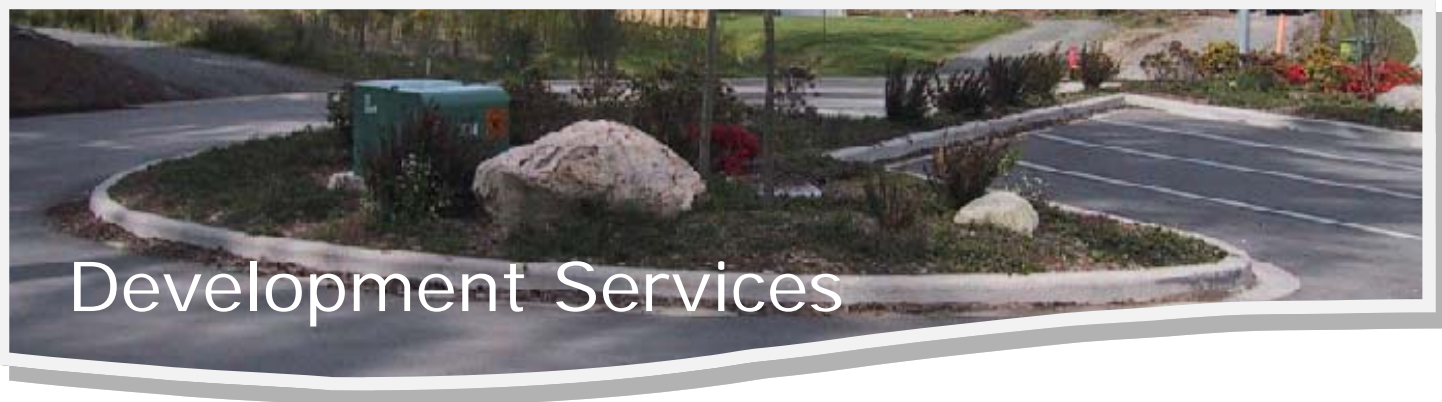


2016 Percentage Tax Increase or Decrease by Taxing Authority

Taxing Authority	% Tax Increase/ Decrease
Vancouver Island Regional Library	2.35%
Capital Regional District	2.72%
BC Transit	-2.80%
Municipal Financial Authority	4.08%
School	-1.80%
District of Sooke	0.85%
Capital Regional Hospital District	-0.06%
BC Assessment	-3.26%

2015 Property Taxes by Agency



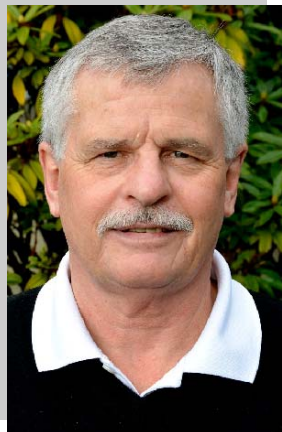


The Department of Development Services is comprised of thirteen (13) staff, and carries out services relative to Planning, Engineering, Environment, GIS and Building. With a 2015 budget of \$3,888,610, staff worked to ensure that projects complied with Council policies, bylaws, provincial and federal regulations and were in line with targeted objectives of the strategic plan. These projects included the creation of subdivisions, construction of roads and utilities associated with development, as well as the construction of buildings and related amenities.

Other Development services include:

- Interpreting and providing advice on bylaws, procedures, actions, and policies
- Environmental protection and management
- Waste water management
- Parks and greenspace management
- Pre-application meetings with prospective developers, builders, investors
- Respond to calls for service for all public works requests (streets, lighting, trees, garbage, vandalism, drainage, road signs, etc.)
- Land records, asset management maintenance and mapping services
- Property information requests (realtors and owners).

Photo Credit: Kevin Laird



Rob Howat
Director Development
Services
(Approving Officer)
rhowat@sooke.ca



2015 Highlights	Measures
Highway 14 improvements including roundabout and landscaping with side-walks	July 2016
Otter Point Road culvert replacements	completed
Continuation of Sun River development	Ongoing
Rezoning of Waddams Farm	Completed March 2016
Reactivation of many development projects that were previously on hold	Ongoing
Completion of Habourside Cohousing Project	completed April 2016
Completion of new Royal Bank construction	completed April 2016
Greenspace enhancements including additional new benches, with existing assets refurbished.	ongoing
Brooks Park and Broomhill Park renovation	scheduled for 2017
Request for Property Information/Comfort Letters	258
Calls for Service	679
New Building Permits applications received	182
New Engineering applications received (subdivision, highway use, parks use, blasting, soil deposit, etc)	206
New Planning applications received (development and development variance permits, OCP amendments, sign permits, etc)	63

Permit Statistics	2013	2014	2015
# of Residential permits issued (Single & Multi Family)	96	127	124
# of Other permits combined (i.e.: Commercial, Industrial, Demolition Oil Tank, Plumbing, Sewer, Additional Suite, Renovation, Woodstove, Additions, Decks)	74	78	58
Total Number of Permits Issued	170	205	182
Total New Units created	130	165	97
Total Revenue Received	\$276,532.93	\$318,342.96	\$251,820.81



The Fire Department is comprised of five (5) full-time and one (1) part-time staff member, twenty-four (24) volunteer firefighting members and nine (9) volunteer support members regarding emergency services. The fire department carries out emergency fire and rescue duties within municipal boundaries, as well as providing mutual aid assistance to neighbouring jurisdictions. The Fire Department operates from three stations: Station 1 on Otter Point Road, Station 2 in Saseenos and a Muster Station in the Sunriver development. While there is land set aside for a future fire station in the Silver Spray area of Sooke, fire protection for this area is currently contracted to the East Sooke Fire Department.

Approximately 900 hours was devoted to community fire and life safety prevention programs and community events in 2015. Members of the fire department again volunteered at many community events and spearheaded a major fundraising event for the Sooke Food Bank.

Thirty three volunteer members of the Sooke Fire Rescue Department, both suppression crews and support service members participated in excess of 6000 hours of training and course instruction in 2015. Sooke Firefighters are trained to the NFPA 1001 requirements for Firefighter Level 1 and Level 2. This is in keeping with the newly introduced Provincial Firefighter Training Competency Playbook. All officers are also trained or working towards the qualifications that the Playbook mandates as the minimum requirement for these positions.

2015 proved to be a record breaking year in the number of emergency responses attended. With this increase in incident calls came a corresponding increase in requests for mutual aid from other fire departments in the area. Without their cooperation, the outcome of many of these incidents would have been much different. Not only did the career and volunteer members of the fire department work together in mitigating these emergency calls, they have also come to rely on other members of our emergency team. From the dedicated Municipal Staff that work in the Emergency Operations Centre during a crisis, to the volunteers of the Emergency Social Services group that assisted displaced residents during a major event to our volunteers in the Emergency Support Services group that assist on a day to day basis, everyone worked together to ensure the safety and well being of everyone that lives, works or visits the District of Sooke.



Steve
Sorensen
Fire Chief
ssorensen@sooke.ca



As Fire & Rescue Services move into 2016, new challenges will arise and be met with the same level of commitment as has been shown in the past. Many thousands of hours of training and emergency call attendance sometimes make the jobs they perform look easy. It is only through the constant hard work and dedication to excellence that keeps the fire department at the top of its game. Sooke should be extremely proud of its fire department and emergency services as they often are our unsung Community Heroes.

2015 Highlights
Firefighter training participation increased; over 6000 hours of training completed
Majority of volunteer firefighters received training incentive reward.
Second year of emergency call incentive program for volunteer firefighters
Installation of new BC Ambulance radio tower at Fire Station 1 for shared use.
Emergency Calls up 30% over 2014: 830 emergency calls 122 burning complaints 952 Total Responses
Emergency Operations Centre activated twice during the year.
Fire Prevention programs active in schools and with community groups; 900 hours of community education activities
Fire Inspection program conducted 383 inspections
Sooke Fire Department Christmas Food Drive a huge success: Total of \$100,000.00 in food, toys and cash collected by firefighters and their helpers.
Hosted the Vancouver Island Emergency Preparedness Conference for over 200 delegates

Note: The Fire Department budget for 2015 was \$1.28 million and \$25,000 for Emergency Preparedness activities.



For a complete Overview of the *Sooke Fire and Rescue Department 2015 Annual Report*, please visit the District's web site at www.sooke.ca (under the "Municipal Hall" tab, then "Plans & Reports")



Police Services

The Sooke Royal Canadian Mounted Police (RCMP) Detachment serves a very large area, which includes the District of Sooke, East Sooke, Otter Point, Shirley, Jordan River, and Port Renfrew (82 kilometers west of Sooke). The Sooke RCMP consists of 15 members, four (4) public servants and two (2) guards. In addition to their distinctive motor vehicles, the RCMP occasionally utilize bike patrols on a part-time basis.

The detachment responds to emergency and non emergency calls and provides regular public education service to the community by attending schools, organizations and community events. Other services include:

- Criminal records check
- Police certificate
- Fingerprinting
- Vulnerable sector check
- Report a crime
- General information
- Document verification
- Non emergency complaints
- Outside detachment emergency phone

2015 Highlights:

There were 5795 calls and occurrences reported to the Sooke detachment in 2015 (refer to chart on following page for more detail). Of those, 248 were motor vehicle incidents. Traffic seems to be the number one issue in Sooke and last year, the Sooke detachment issued 326 traffic violation charges.



Jeff McArthur, S/Sgt.
Detachment Commander

Contact information

2076 Church Street
Sooke, British Columbia V0S 1N0 Canada
Telephone: 250-642-5241
Fax: 250-642-3247
<http://sooke.bc.rcmp-grc.ca>

Mailing address

P.O. Box 40
Sooke, British Columbia V0S 1N0

Hours of operation

General services
Monday-Friday
8:00 a.m. - 4:00 p.m.

2015 Calls for Occurrences (by type)

Occurrences	2015 YTD
Sexual Assaults	9
Assaults	85
Break & Enter – Business	25
Break & Enter - Residence	31
Break & Enter – Other	10
Theft of Vehicle	16
Theft from Vehicle - Over \$5000	0
Theft from Vehicle - Under \$5000	94
Theft Over \$5000	10
Theft Under \$5000	125
Mental Health Act	143
Mischief/Property Damage Over	0
Mischief/Property Damage Under	152
Total Calls for Service	4361

The RCMP reports statistics to Council on a monthly basis and provides quarterly updates on their Annual Performance.



Some of the Sooke members at a Regimental Dinner.
Photo Courtesy of Sooke RCMP



Sooke RCMP Detachment



Each year, the Community Grant Review Committee reviews applications from local organizations applying to receive funding for their projects. Council of the District of Sooke upon recommendations from this Committee, awards the grants based on two categories: Category A grants are made annually to a non-profit community group on the basis that it provides an ongoing valuable program to the community and is unable to raise all of its required funding without the District of Sooke assistance while Category B applications will only be considered for new projects or the enhancement of existing programs, activities or events that will be completed within the calendar year.

The *District of Sooke Community Grants Program* is designed to assist organizations with projects or special activities that serve the well-being of the community through efforts that build capacity in regard to volunteerism and enhance the well-being of the community through sport, recreation, culture, fine arts, heritage, public safety and beautification project. These grants are an important source of funding to local community organizations and help provide a variety of services to the community.

In 2015, \$95,548.03 was allotted to the following applicants:

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
	<i>(note: program transferred to Sooke Transition House Society in 2016)</i>	
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
	<i>(Note: approved \$1,000 in Dec 2015 but was restored to \$5,000 in March 2016)</i>	
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

(Continued➡)

Community Grants Continued

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

TOTAL COMMUNITY GRANT MONIES DISPERSED (2015)

\$95,548.03



Photo Credit: Canada Day Sooke web site



Parks, Trails & Other Services

Parks and trails owned and operated by the District of Sooke are established to provide local, publicly accessible green spaces for the people of Sooke. These sites often have a variety of purposes: sports or passive recreation, environmental protection, access to shoreline or preservation of unique landscapes or historical features. A third party is responsible for the general operation and maintenance of parks, trails, boulevards, transit stops and the hazardous tree program.

Capital Regional District (CRD) Parks and Trails, Provincial Parks, The Land Conservancy (TLC) lands, Community Association Parks and other recreation areas are part of Sooke's larger recreation fabric, but are not operated by the District. The SEAPARC Leisure Complex (arena, pool and other facilities) and the popular Galloping Goose Trail are operated by the CRD.

SEAPARC Leisure Complex

2168 Phillips Road
Sooke, BC

Tel: 250.642.8000

Fax: 250.642.4710

www.crd.bc.ca/seaparc

Mailing address

PO Box 421
Sooke, BC V9Z 1H4



Hours of operation

Monday - Friday: 6am - 9pm

Saturday: 8am - 8pm

Sunday: 9am - 6pm

Hours may change during special events, statutory holidays and long weekends.

Sooke Branch
2065 Anna Marie Road
Sooke, BC V9Z 0A4
Tel: 250-642-3022
Email: sooke@virl.bc.ca

Hours of operation
Monday: 1-5 pm
Tues-Wed: 10am—8pm
Thurs-Sat: 10am—5 pm
Sun: Closed

The Vancouver Island Regional Library (VIRL) operates 39 branch libraries along the islands in BC, including the one located in Sooke which opened in 1963. The library offers programs and activities for pre-school & school aged children and adults, including teen and senior-focused programs. They have an active volunteer team that provide time to support activities, programs and general library services.



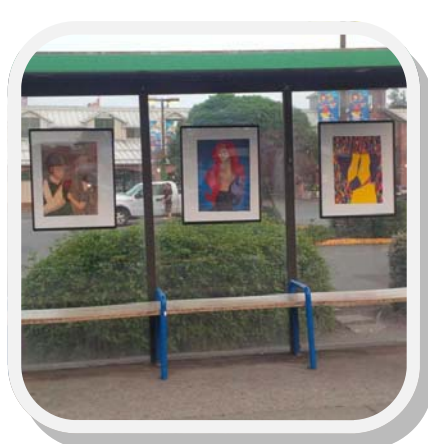
Collaboration occurs with other levels of government to streamline services for our residents and leverage resources and expertise. These partnerships help us provide a range of services in a cost effective manner.

Collaboration with Ministry of Transportation and Infrastructure (MoTI) to build the town centre roundabout and make improvements have benefitted residents and businesses by improving traffic flow, pedestrian movements and aesthetics. MoTI and ICBC have worked with the District to install crosswalk lighting at Sooke Elementary School on Highway 14. ICBC has worked with the District to purchase a speed reader board and funded a test of the durability cold-plast paint for five key high traffic crosswalks.

In 2015, BikeBC partnered with the District of Sooke for the construction of the a trail on Sooke River Road connecting the Galloping Goose to Sooke Road. This project also included wayfinding signage to direct users off of the regional trail and into the town centre. In conjunction with previous grants from the CRD in 2014, it provides connectivity for citizens and resources for cyclists.

The District of Sooke also partnered with BC Transit to install transit shelters with lighting at stops with high ridership. Four transit shelters were installed as part of the town centre upgrades and have been outfitted with frames to accommodate art supplied and installed by Edward Milne Community School.


The District works with the Ministry of Environment and the Capital Regional District to monitor outfalls and watercourses the outlet into the harbor and basin, as well as water quality in the marine waters. The District is also able to utilize the expertise of our neighbouring municipalities, joining forces to manage noxious weeds, such as Japanese Knotweed.



Annual Declaration and Identification of Disqualified Council Members:
- Nothing to report.



The following reports depict each department’s 2016 and 2017 objectives, and the measures that will be used to determine progress respecting those objectives, in accordance to s. 98(f) of the *Community Charter*. Each report utilizes the five (5) core directives captured in the *2016 Strategic Plan*:








-  Fiscal Sustainability
-  Excellence in Management & Governance
-  Community Planning
-  Economic Prosperity
-  Enhancing Community Livability

Corporate Services Department 2016 & 2017 Objectives:










Project/Goal	Strategic Plan Alignment	2016				2017				Success/Measure
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Ensure all contracts provide value for money				✓	✓	✓	✓	✓	✓	All contracts have been reviewed for value for money
Develop internal and external communication strategy				✓	✓	✓	✓			Strategies has been adopted by Council
Ongoing website improvement				✓	✓	✓	✓			New website launched
Council resolution tracking				✓	✓					Council resolution updates provided regularly to Council
Continue public information meetings				✓	✓	✓	✓	✓	✓	Public information meetings held twice per year
Records Management – conversion of antiquated files				✓	✓	✓	✓	✓	✓	All files converted
Implementation of electronic records management				✓	✓	✓	✓	✓	✓	Staff training complete, records management system in place
Implement online application forms				✓	✓	✓	✓			Online application processes launched
Risk Management – review policies to minimize liability				✓	✓	✓	✓	✓	✓	All policies reviewed, liability minimized
Review and amendment of Bylaws and Policies with priority to regulatory bylaws				✓	✓	✓	✓	✓		All Bylaws and Policies reviewed, and changes adopted by Council where required
Bylaw Enforcement – develop policies for bylaw enforcement				✓	✓	✓	✓	✓		Policies developed

Finance Department 2016 & 2017 Objectives:

Looking forward to 2016, department staff will continue to look for ways we can serve the community in an effective and efficient manner. Fiscal Sustainability is a key element of Council's Strategic Plan and the District must ensure it puts aside sufficient resources to plan for long-term infrastructure needs.





Project/Goal	Strategic Plan Alignment	2016				2017				Success/Measure
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
IT Systems Improvements (cloud based solutions)				✓	✓					System implemented by end of 2016 on budget and with user acceptance.
Improved budget to actual reporting				✓	✓	✓				Management and Council receive useful monthly reports and feedback is positive. (Note that the reporting format will evolve over time based on feedback and should be stabilized by end of Q1 2017).
Asset Management Plan				✓	✓	✓	✓	✓	✓	The District is able to produce reliable and timely reports from the new Asset Management system and no issues are identified during audit of the 2016 financial statements. This is an ongoing task with next steps to include condition assessments.
DCC bylaw review						✓				Bylaw is updated (if necessary) and new rates are implemented.
Assistance to MRDT application					✓	✓				Governance plan in place by end of Q4 2016. Application submitted by end of Q1 2017.
Corporate Performance Measures				✓	✓	✓	✓	✓	✓	Draft performance measures implemented by end of Q3 2016. Reporting to Council implemented by end of Q4 2016. This is an ongoing project and will evolve over time and also involves input from the CAO and Council.
Risk Management					✓	✓	✓	✓	✓	Review of policies complete by end of Q4 2016. Risk Register implemented and refined during 2017 and monthly reporting for Council developed by end of Q4 2017. MIA or other independent review of risk register indicates it is a useful document.

Development Services Department 2016 & 2017 Objectives:

Project/Goal	Strategic Plan Alignment	2016				2017				Success/Measure
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
OCP Review				✓	✓	✓				Adoption by Council
Sign Regulation Bylaw Review						✓	✓	✓	✓	Adoption by Council
Traffic & Highway Regulation Bylaw				✓	✓	✓	✓	✓	✓	Adoption by Council
Building Regulation Bylaw						✓	✓	✓	✓	Adoption by Council
Community Amenity Contribution Policy				✓	✓	✓				Adoption by Council
Zoning Bylaw						✓	✓	✓	✓	Adoption by Council
DCC Bylaw				✓	✓	✓	✓	✓	✓	Adoption by Council
Development of Goodmere Road				✓	✓	✓	✓	✓	✓	Completion of Goodmere Road to support development
Development west side Town Centre from Otter Point				✓	✓	✓	✓	✓	✓	Sidewalk installed











Development Services Department 2016 & 2017 Objectives (Continued):

Project/Goal	Strategic Plan Alignment	2016				2017				Success/Measure
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Parking			✓	✓	✓	✓	✓	✓	✓	Securing areas for parking in the town core through lease arrangements or property purchase.
Servicing (sanitary sewer & drainage)			✓	✓	✓	✓	✓	✓	✓	Remediation of drainage issues as budgeted annually Implement sewer infrastructure improvement as required
Waterfront Access			✓	✓	✓	✓	✓	✓	✓	Securing waterfront access when development occurs on the District's waterfront properties
Murray Road improvements						✓	✓	✓	✓	Mitigating drainage concerns and improvements to Murray Road through budgeting and priority



Fire & Rescue Services 2016 & 2017 Objectives:

Project/Goal	Strategic Plan Alignment	2016				2017				Success/Measure
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Food Bank Charity Collection					✓				✓	Continue annual event with goal of meeting or exceeding previous years.
Annual Juan de Fuca Regional Training Program				✓				✓		Sold out sessions during this annual regional training program
Recruiting drive for new volunteer firefighters				✓	✓			✓	✓	Six volunteer firefighters recruited
Increase fire inspection frequency				✓	✓	✓	✓	✓	✓	Full compliance with District Bylaw
Fire Underwriters Survey					✓	✓	✓			Complete Underwriter Survey
Meet or exceed skill objectives of the BC Firefighter Training Playbook		✓	✓	✓	✓	✓	✓	✓	✓	Increased firefighter skill levels. (FF Level 2) Increased supervisory and management skills for officers. (Fire Officer 1)
Review Sooke Emergency Plan					✓	✓				Ensure Plan is kept up to date
Ensure Emergency Program functions maintained and current		✓	✓	✓	✓	✓	✓	✓	✓	District Staff and ESS volunteers capable of roles during emergency events. Host Community Education Programs

2015 Permissive Tax Exemptions

In accordance with section 98(2)(b) of the Community Charter, the following properties in the District of Sooke were provided permissive property tax exemptions by Council in 2014. (District of Sooke Bylaw Nos. 337 and 338 and amendments thereto.)

NAME AND CIVIC ADDRESS	LEGAL DESCRIPTION	Term of Exemption	Exemption Value
Public Worship (Mandatory Exemptions) (Bylaw No. 337)			
Sooke Baptist Church, 7110 West Coast Road	Lot A, Plan VIP61481, Section 2&3, PID 023-142-391	Note 1	\$19,933.27
Sooke Pentecostal Church, 6851 West Coast Rd.	Lot B, Plan 18924, Section 3, PID 003-818-985	Note 1	\$ 2,818.68
Holy Trinity Anglican Church, 1952 Murray Road	Lot 1, Plan VIP1169, Section 3, PID 007-838-166	Note 1	\$ 8,936.61
Knox Vision Society, 2110 Church Road	Lot 1, Plan VIP86034, Section PT 10, PID 027-757-439	Note 1	\$ 3,652.82
Juan de Fuca Seventh Day Adventist Church, 6251 Sooke Road	Lot 1, Plan VIP9917, Section 15, PID 000-349-909	Note 1	\$ 984.65
Juan de Fuca Seventh Day Adventist Church, 6255 Sooke Road	Lot 1, Plan 9247, Section 15, PID 000-042-951	Note 1	\$ 1,308.10
Sooke Congregation of Jehovah's Witnesses, 2207 Church Road	Lot A, Plan VIP74513, Section 26, PID 025-527-045	Note 1	\$ 8,938.29
Bishop of Victoria, 2191 Townsend Road	Lot 9, Plan VIP74590, Section 10, PID 002-513-021	Note 1	\$10,581.61
Public Parks and Recreation Purposes (Permissive Exemptions) (Bylaw No. 338)			
Sooke Community Hall, 2039 Shields Road	Plan 1540, Sooke Land District, Firstly: Lot W8 Sec 3 Plan 1540 Secondly: Lots 9 and 10 Sec 3 Plan 1540, PID 007-239-076	2008 - 2017	\$ 9,197.80
Sooke Community Association Ballpark, 6441 Throup Road	Lot 2, Plan VIP59555, Section 14, PID 018-906-087	2008 - 2017	\$ 6,884.58
Sooke Community Association Parking Area & Ballpark, 6521 Throup Road	Lot 1, Plan VIP5996, Section 14, PID 005-936-497	2008 - 2017	\$ 5,303.96
Sooke Community Association Parking Area & Ballpark, 6521 Throup Road	Parcel A, Lot 2, Plan VIP5996, Section 14, PID 005-936-802	2008 - 2017	\$ 1,671.89
Sooke Community Association Parking Area & Ballpark, 6521 Throup Road	Parcel A, Block 7, Plan VIP5855, Section 14, PID 005-941-245	2008 - 2017	\$ 1,688.69
Sooke Community Association, Fred Milne Park, 2249 Sooke River Road	Lot 2, Plan VIP17066, Section 15, PID 004-132-289	2008 - 2017	\$ 6,802.10
Sooke Community Association Park "Sooke Flats", 2039 Phillips Road	Parcel F of Section 27, Except Plan VIP76239, PID 009-374-591	2008 - 2017	\$11,766.21
Sooke Community Association Parking Area and Ballpark, 2259 Phillips Road	Lot 4, Plan VIP7017, Section 73, PID 005-801-818	2008 - 2017	\$ 4,351.06
Sooke Lions Club Park, 2008 Murray Road	Lot B, Plan VIP2451, Section 3, PID 006-576-290	2008 - 2017	\$ 1,876.57
Canadian Council of the Girl Guides Association, 2292 Sooke River Road	Parcel B of Section 45, PID 009-387-234	2008 - 2017	\$ 5,786.07
Camp Thunderbird YMCA, Glinz Lake Road	Sections 56 & 57 Sooke and Parcel A of Section 19 Otter & Section 102 Sooke, PID 009-388-630	2008 - 2017	\$11,467.97
Camp Thunderbird YMCA, Glinz Lake Road	Block A, Section 59, PID 009-388-702	2008 - 2017	\$ 5,402.13
Camp Thunderbird YMCA, Glinz Lake Road	Block A, Section 60, PID 009-388-729	2008 - 2017	\$ 4,872.84

2015 Permissive Tax Exemptions (continued)

CIVIC ADDRESS	LEGAL DESCRIPTION	Term of Exemption	Exemption Value
Non-Profit Charitable Organizations (Bylaw No. 338)			
St. Vincent de Paul Society, 6750 West Coast Road, Unit 101	Lot 1, Plan EPS2207, Section 3, PID 029-432-243	2008 - 2017	\$ 15,761.11
St. Vincent de Paul Society, 6750 West Coast Road, Unit 202	Lot 2, Plan EPS2207, Section 3, PID 029-432-251	2008 - 2017	\$ 1,259.97
St. Vincent de Paul Society, 6750 West Coast Road, Unit 201	Lot 3, Plan EPS2207, Section 3, PID 029-432-260	2008 - 2017	\$ 1,805.34
St. Vincent de Paul Society, 6750 West Coast Road, Unit 301	Lot 4, Plan EPS2207, Section 3, PID 029-432-278	2008 - 2017	\$ 1,805.34
M'Akola Housing Society, 6750 West Coast Road	Lot 5, Plan EPS2207, Section 3, PID 029-432-286		\$ 13,204.09
Queen Alexandra Foundation for Children, 6672 Wadams Way	Lot A, Plan VIP74590, Section 10, PID 025-545-582	2008 - 2017	\$34,624.87
Sooke Harbour Authority, Maple Avenue Government Wharf	Sooke Land District, Sooke Harbour Authority on Government Wharf (water lot 193)	2008 - 2017	\$ 13,989.74
Crown Federal, Maple Avenue Government Wharf, 1800 Maple Avenue S	Lot 193, Sooke Land District, Government Wharf on Water Lot 193	2008 - 2017	\$ 655.31
The Governing Council of the Salvation Army, 6686 Sooke Road	An area totaling 363.25 square metres of Lot A, Section 10, Plan 3774, PID 000-848-689	2008 - 2017	\$ 9,574.16
Sooke Pacific #54 Branch Royal Canadian Legion, 6726 Eustace Road	Lot A, Plan VIP1540, Section 3, Portion D79952, PID 007-239-122	2008 - 2017	\$12,336.52
Sooke Elderly Citizens Society (Ayre Manor), 6744 Ayre Road	Lot 11, Plan 16754, Section 3, PID 004-051-050	2008 - 2017	\$68,622.86
Sooke Mount Shepherd Masonic Association, 6544 Throup Road	Lot 5, Plan 6365, Section 26, PID 001-646-931	2008 - 2017	\$10,795.03
Sooke Hospice Society, 6669 Goodmere Road	Lot 15, Plan VIP69170, Section 10, PID 005-445-809	2012-2017	\$5,966.64
Juan de Fuca Salmon Restoration Society, 2895 Sooke River Road	Section 3, Otter Land District Parcel A, Except Plan 3943 Leased Part of PCLA, MH#9047, PID 009-496-939	2013-2017	\$12,183.23
Museum (Bylaw No. 338)			
Sooke Regional Historical Society Museum, 2070 Phillips Road	Lot B, Plan VIP69170, Section 73, PID 024-548-031	2008 - 2017	\$20,929.13
TOTAL			\$357,739.24
Note 1: The term of the exemption is indefinite as long as the property is used for public worship purposes as per the Community Charter.			

Financial Statements of

DISTRICT OF SOOKE

Year ended December 31, 2015

DISTRICT OF SOOKE

Financial Statements

Year ended December 31, 2015

Financial Statements

Management's Responsibility for the Financial Statements	1
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Statement of Operations	4
Statement of Change in Net Debt	5
Statement of Cash Flows	6
Notes to Financial Statements	7

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

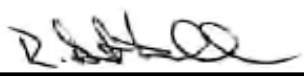
The accompanying financial statements of District of Sooke (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation, and in accordance with public sector accounting standards for governments as recommended by the Public Sector Accounting Board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

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 trusteesd 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