

DISTRICT OF SOOKE

STATEMENT OF FINANCIAL INFORMATION

(SOFI)

Pursuant to section 2(3) of the
Financial Information Act

June 28, 2021

Statement of Financial Information
Prepared under the *Financial Information Act*
For the Year ended December 31, 2020

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Statement of Debts

Prepared under the *Financial Information Regulation Schedule 1, Subsection 4*

Information on all long-term debts for this organization is included in Note 5 to the 2020 Audited Financial Statements.

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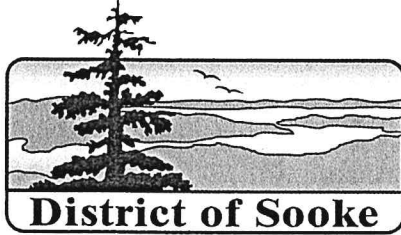
Prepared in accordance with the *Community Charter (s.168)* and the *Local Government Act (s.377)*.

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Prepared under the *Financial Information Regulation Schedule 1, Subsection 5*



File No. 1880-20

June 28, 2021

District of Sooke Management Report

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

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

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

On behalf of the District of Sooke,

A handwritten signature in black ink, appearing to read "Raechel Gray", is written over a horizontal line.

Raechel Gray, CPA, CMA
Director of Financial Services

DISTRICT OF SOOKE

**Statement of Approval of
Financial Information**

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Raechel Gray, CPA CMA
Director of Financial Services
June 28, 2021



Maja Tait
Mayor
June 28, 2021

Financial Statements of

DISTRICT OF SOOKE

Year ended December 31, 2020

DISTRICT OF SOOKE

Financial Statements

Year ended December 31, 2020

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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



Director of Finance



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the District of Sooke

Opinion

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

- the statement of financial position as at December 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at end of December 31, 2020, and its results of operations, its changes in net financial assets and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



District of Sooke

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



District of Sooke

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 10, 2021

DISTRICT OF SOOKE

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets:		
Cash and cash equivalents (note 2)	\$ 21,399,501	\$ 15,040,566
Property taxes receivable	813,362	841,129
Accounts receivable	423,535	199,908
Other assets (note 10(a))	144,312	141,400
	<u>22,780,710</u>	<u>16,223,003</u>
Financial liabilities:		
Accounts payable and accrued liabilities	4,067,249	1,732,848
Deposits	2,381,537	1,433,344
Deferred revenue (note 3)	6,009,745	5,132,979
Employee benefit obligations (note 4)	384,341	381,885
Long-term liabilities (note 5)	4,699,848	4,866,311
	<u>17,542,720</u>	<u>13,547,367</u>
Net financial assets	5,237,990	2,675,636
Non-financial assets:		
Tangible capital assets (note 6)	116,188,959	110,226,561
Prepaid expenses	160,048	188,131
	<u>116,349,007</u>	<u>110,414,692</u>
Accumulated surplus (note 7)	\$ 121,586,997	\$ 113,090,328

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, 2020, with comparative information for 2019

	Financial Plan (note 11)	2020	2019
Revenue:			
Net taxes available for municipal purposes (note 8)	\$ 8,892,820	\$ 8,918,165	\$ 8,640,268
Sales and user fees	77,750	197,571	77,055
Government transfers (note 9)	3,027,630	4,170,305	1,719,279
Investment income	225,000	363,557	349,968
Penalties and fines	160,000	177,984	161,016
Licenses and permits	724,543	937,335	850,474
Lease and rental	-	7,200	6,571
Developer cost charges	380,000	-	-
Donations and contributions	-	6,186,660	1,387,010
Sewer operating revenue	2,751,724	2,746,140	2,537,134
Casino revenue sharing	260,000	64,838	291,570
Total revenue	16,499,467	23,769,755	16,020,345
Expenses:			
General government	3,133,514	2,903,736	3,239,973
Protective services	4,232,591	4,592,812	4,259,234
Development service	4,766,413	5,032,074	4,552,243
Sewer	2,609,900	2,744,464	2,265,998
Total expenses	14,742,418	15,273,086	14,317,448
Annual surplus	1,757,049	8,496,669	1,702,897
Accumulated surplus, beginning of year	113,090,328	113,090,328	111,387,431
Accumulated surplus, end of year	\$ 114,847,377	\$ 121,586,997	\$ 113,090,328

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

DISTRICT OF SOOKE

Statement of Change in Net Debt

Year ended December 31, 2020, with comparative information for 2019

	Financial Plan (note 11)	2020	2019
Annual surplus	\$ 1,757,049	\$ 8,496,669	\$ 1,702,897
Acquisition of tangible capital assets	(6,060,415)	(2,970,172)	(2,080,306)
Developer contributions of tangible capital assets	-	(6,186,660)	(1,350,985)
Amortization of tangible capital assets	2,680,035	3,194,434	2,952,484
Loss on disposal of tangible capital assets	-	-	87,610
	(3,380,380)	(5,962,398)	(391,197)
Acquisition of prepaid expenses	-	28,083	6,812
Change in net debt	(1,623,331)	2,562,354	1,318,512
Net financial assets, beginning of year	2,675,636	2,675,636	1,357,124
Net financial assets, end of year	\$ 1,052,305	\$ 5,237,990	\$ 2,675,636

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

DISTRICT OF SOOKE

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 8,496,669	\$ 1,702,897
Items not involving cash:		
Developer contributions of tangible capital assets	(6,186,660)	(1,350,985)
Amortization of tangible capital assets	3,194,434	2,952,484
Loss on disposal of tangible capital assets	-	87,610
Actuarial adjustment on debt	(214,026)	(193,372)
Changes in non-cash operating assets and liabilities:		
Property taxes receivable	27,767	94,305
Accounts receivable	(223,627)	(13,177)
Other assets	(2,912)	(3,221)
Accounts payable and accrued liabilities	2,334,401	78,102
Deposits	948,193	(164,482)
Employee benefit obligations	2,456	67,682
Deferred revenue	876,766	596,657
Prepaid expenses	28,083	6,812
	9,281,544	3,861,312
Capital activities:		
Acquisition of tangible capital assets	(2,970,172)	(2,080,306)
Proceeds on disposal of tangible capital assets	-	6,000
	(2,970,172)	(2,074,306)
Financing activities:		
Debt issued and assumed	800,000	369,937
Debt payments	(752,437)	(679,847)
	47,563	(309,910)
Increase in cash and cash equivalents	6,358,935	1,477,096
Cash and cash equivalents, beginning of year	15,040,566	13,563,470
Cash and cash equivalents, end of year	\$ 21,399,501	\$ 15,040,566

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

DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2020

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.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This situation presents uncertainty over the District's future cash flows and may have a significant impact on the District's future operations. Potential impacts on the District's business could include future decreases in revenue, future increases in expenses, impairment of receivables, impairment of investments or reduction in investment income and delays in completing capital project work. As the situation is dynamic and the ultimate duration and magnitude of the impact of the economy are not known, an estimate of the financial effect on the District is not practical at this time.

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, 2020

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, prepaid property taxes and 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") pooled investment 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, 2020

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, 2020

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) Contaminated sites:

The District records a liability in its financial statements when contamination on non-active property exceeds an accepted environmental standard and the District is directly responsible, or accepts responsibility for, the damage. The liability is measured at the District's best estimate of the costs directly attributable to remediation of the contamination. No contaminated sites liabilities have been recorded in these financial statements.

(m) 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. 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, 2020

2. Cash and cash equivalents:

	2020	2019
Bank deposits	\$ 6,734,187	\$ 2,862,474
Municipal Finance Authority Pooled Investment Funds	14,665,314	12,178,092
	<u>\$ 21,399,501</u>	<u>\$ 15,040,566</u>

3. Deferred revenue:

	2020	2019
Prepaid property taxes	\$ 907,404	\$ 914,579
Development cost charges	5,040,925	4,175,051
Other deferred revenue	61,416	43,349
Total deferred revenue	<u>\$ 6,009,745</u>	<u>\$ 5,132,979</u>

Included in other deferred revenue are business licenses and building permits.

Development Cost Charges

	2020	2019
Opening balance of unspent funds	\$ 4,175,051	\$ 3,616,447
Add:		
Development cost charges received during the year	814,063	520,853
Interest earned	51,811	37,751
	<u>865,874</u>	<u>558,604</u>
	5,040,925	4,175,051
Less amount recorded as revenue	-	-
Closing balance of unspent funds	<u>\$ 5,040,925</u>	<u>\$ 4,175,051</u>

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

4. Employee benefit obligations:

	2020	2019
Accrued vacation	\$ 102,761	\$ 103,671
Other contract obligations	281,580	278,214
	<u>\$ 384,341</u>	<u>\$ 381,885</u>

Employee benefit obligations represent accrued benefits as at December 31, 2020. 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. Sick leave entitlements may only be used while employed by the District and are not paid out upon retirement or termination of employment.

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multiemployer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local government.

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

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

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

The District paid \$470,934 (2019 - \$394,661) for employer contributions to the Plan in fiscal 2020, while employees contributed \$396,864 (2019 - \$332,308) to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

5. Long-term liabilities:

	2020	2019
Tax supported debt bearing interest at 4.52% and matures in 2027 (ladder truck)	\$ 258,189	\$ 294,991
Debenture for sewer capital project bearing interest at 4.43% and matures in 2026	3,333,185	3,840,107
MFA Loan (property purchase) bearing annual variable interest and matures in 2021	142,000	426,000
MFA Equipment Loan (Water Tender Truck) bearing annual variable interest and matures in 2024	230,909	305,213
MFA Equipment Loan (Engine 1A) bearing annual variable interest and maturing in 2025	329,744	-
MFA Equipment Loan (Engine 1B) bearing annual variable interest and maturing in 2025	405,821	-
Long-term liabilities	\$ 4,699,848	\$ 4,866,311

(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.

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 debt at December 31, 2020 and 2019 is \$9,417,101.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

5. Long-term liabilities (continued):

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

2021	\$ 696,787
2022	556,992
2023	556,259
2024	482,056
2025	397,593
Thereafter	-

- (c) Total interest expense on long-term debt for the year ending December 31, 2020 amounted to \$179,386 (2019 - \$164,804).

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Tangible capital assets:

	Land	Land improvements	Buildings	Equipment, furniture and vehicles	Roads and sidewalks	Storm sewer	Sanitary sewer	Work in progress	Total	Total
									2020	2019
Cost:										
Balance, beginning of year	\$38,792,311	7,822,418	4,191,273	5,815,031	55,928,835	14,066,922	27,689,799	233,880	\$154,540,449	\$151,460,221
Additions	3,516,435	145,957	156,853	989,715	1,740,423	485,305	1,152,665	1,123,329	9,310,893	3,431,291
Transfers	-	-	-	-	-	-	-	(153,861)	(153,861)	-
Write-offs	-	-	-	-	-	-	-	-	-	(351,063)
Balance, end of year	42,308,746	7,968,375	4,348,126	6,804,746	57,669,258	14,552,227	28,842,465	1,203,328	163,697,281	154,540,449
Accumulated amortization:										
Balance, beginning of year	-	3,408,159	2,740,227	3,536,535	26,305,835	1,940,545	6,382,585	-	44,313,888	41,624,857
Disposals	-	-	-	-	-	-	-	-	-	(253,453)
Amortization	-	345,056	113,852	289,786	1,492,525	325,009	648,208	-	3,194,434	2,952,484
Balance, end of year	-	3,753,215	2,854,079	3,806,321	27,798,361	2,265,554	7,030,792	-	47,508,322	44,313,888
Netbook value, end of year	\$42,308,746	4,215,160	1,494,057	2,998,425	29,870,897	12,286,673	21,811,673	1,203,328	\$116,188,959	\$110,226,561

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

6. Tangible capital assets (continued):

(a) Work in progress:

Work in progress having a value of \$1,203,328 (2019 - \$233,860) has 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 \$6,186,660 (2019 - \$1,350,985) comprised of land (\$3,516,435), land improvements (\$130,100), roads and sidewalks (\$1,041,970), storm sewer (\$485,305), sanitary sewer (\$1,012,850).

(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, 2020

7. Accumulated surplus:

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

	2020	2019
Surplus:		
Equity in tangible capital assets	\$111,489,111	\$105,360,250
Operating Fund	666,000	1,913,976
Total surplus	112,155,111	107,274,226
Reserve Funds:		
COVID-19 Safe Restart Reserve	2,981,000	-
Future Sewer Expenditures Reserve	1,589,059	1,301,769
Gas Tax Reserve	1,262,261	1,115,867
Capital Asset Replacement Reserve	774,306	537,854
Playing Field Reserve	422,294	417,118
Future Policing Costs Reserve	432,102	332,893
Parkland Reserve	296,689	293,052
Seniors/Youth Centre Reserve	185,773	257,577
Future Road Liabilities Reserve	283,585	250,526
Emergency Road Repair / Snow Removal Reserve	185,612	183,337
Casino Revenue Reserve	53,847	181,922
Affordable Housing Reserve	140,990	139,261
Capital Improvement Financing Reserve	107,559	135,502
Land (Non-park) Reserve	101,820	100,572
SPA Revenue Reserve	99,409	83,237
Fire Equipment Reserve	73,635	77,498
Revenue Smoothing Reserve	71,000	71,000
Frontage Improvements Reserve	66,536	66,536
Community Amenities Reserve	58,922	58,200
Property Tax Stabilization Reserve	51,000	51,000
Sewer Expansion Reserve	50,151	49,536
Capital Works Reserve	48,089	31,003
Risk Management Reserve	30,870	30,870
Harbour Park Reserve	22,742	20,115
Carbon Tax Rebate Reserve	16,415	13,137
Tree Reserve	9,500	-
Knott / Demamiel Watershed Reserve	6,700	6,700
Marine Boardwalk Reserve	5,520	5,520
Street Lighting Reserve	4,000	4,000
Banner Contributions Reserve	500	500
Total reserve funds	9,431,886	5,816,102
	\$121,586,997	\$113,090,328

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

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.

	2020	2019
Taxes:		
Property tax	\$ 19,219,372	\$ 18,690,662
Payments in lieu of taxes	39,468	42,976
1% Utility tax	189,141	185,682
	<u>19,447,981</u>	<u>18,919,320</u>
Less taxes levied on behalf of:		
Provincial government - school taxes	4,918,755	4,946,656
Capital Regional District	3,336,889	3,167,260
Capital Regional Hospital District	690,913	701,518
Municipal Finance Authority	708	667
BC Assessment Authority	154,096	134,453
BC Transit Authority	735,123	653,482
Vancouver Island Regional Library	693,332	675,016
	<u>10,529,816</u>	<u>10,279,052</u>
Net taxes available for municipal purposes	\$ 8,918,165	\$ 8,640,268

9. Government transfers:

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

	2020	2019
Provincial Small Community Protection	\$ 323,984	\$ 337,528
Provincial Traffic Fine Revenue	95,078	77,333
Gas Tax Agreement Funds	602,623	1,162,767
Ministry of Transportation and Infrastructure	88,790	97,528
Other	78,830	44,123
COVID-18 Safe Restart Grant	2,981,000	-
	<u>\$ 4,170,305</u>	<u>\$ 1,719,279</u>

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

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.

(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 \$144,312 (2019 - \$141,400) 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, 2020 there were contingent demand notes of \$272,296 (2019 - \$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 2021 estimated cost of this contract is \$2,080,331.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Commitments and contingent liabilities (continued):

- (f) 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 2020 operating and capital financial plans approved by Council on March 31, 2020 (and amended on May 11, 2020). 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	\$ 23,808,964
Amendments approved by Council	(467,095)
Financial plan, as approved by Council	23,341,869
Less:	
Transfers from other funds	3,762,367
Proceeds from borrowing	400,000
Amortization offset	2,680,035
Total revenue	16,499,467
Expenses:	
Financial plan, as approved by Council	23,808,964
Amendments approved by Council	(467,095)
Financial plan, as approved by Council	23,341,869
Less:	
Capital expenditures	6,060,415
Transfer to other reserves	1,687,865
Debt principal payments	851,171
Total expenses	14,742,418
Annual surplus	\$ 1,757,049

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

11. Financial plan data (continued):

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

12. 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.

DISTRICT OF SOOKE

Notes to Financial Statements (continued)

Year ended December 31, 2020

12. Segmented information (continued):

(c) Development Services:

Development Services includes Engineering, Community Spaces, Building Inspection, Planning and Development and Geographic Information Services.

Engineering 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.

Community Spaces 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.

Planning and development is responsible for the District's community planning goals and economic development through the official community plan, and other policy initiatives.

Geographic Information Services provides asset management, mapping and property information to District of Sooke staff and to the public.

(d) 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, 2020

12. Segmented information (continued):

2020	General Government	Protective Services	Development	Sewer	Total
Revenue:					
Taxation	\$ 8,918,165	\$ -	\$ -	\$ -	\$ 8,918,165
User charges	312,913	22,255	984,924	2,746,140	4,066,232
Government transfers	4,226	444,062	3,722,017	-	4,170,305
Investment income	363,557	-	-	-	363,557
Other	64,836	-	6,186,660	-	6,251,496
Total revenue	9,663,697	466,317	10,893,601	2,746,140	23,769,755
Expenses:					
Salaries and wages	1,562,258	1,449,138	2,052,726	526,535	5,590,657
Contracted and general services	504,498	2,369,397	890,756	840,346	4,604,997
Supplies and materials	702,148	501,815	251,012	227,658	1,682,633
Interest and bank charges	20,979	2,676	-	176,709	200,364
Amortization	113,853	269,786	1,837,580	973,216	3,194,435
Total expenses	2,903,736	4,592,812	5,032,074	2,744,464	15,273,086
Annual surplus (deficit)	\$ 6,759,961	\$ (4,126,495)	\$ 5,861,527	\$ 1,676	\$ 8,496,669

2019	General Government	Protective Services	Development	Sewer	Total
Revenue:					
Taxation	\$ 8,640,268	\$ -	\$ -	\$ -	\$ 8,640,268
User charges	252,387	40,028	802,701	2,537,134	3,632,250
Government transfers	5,022	414,861	1,299,396	-	1,719,279
Investment income	349,968	-	-	-	349,968
Other	291,570	-	1,387,010	-	1,678,580
Total revenue	9,539,215	454,889	3,489,107	2,537,134	16,020,345
Expenses:					
Salaries and wages	1,590,032	1,221,510	1,871,061	446,209	5,128,812
Contracted and general services	704,197	2,201,003	573,427	622,159	4,100,786
Supplies and materials	761,177	561,449	348,816	256,859	1,928,301
Interest and bank charges	34,536	18,529	-	154,000	207,065
Amortization	150,031	256,743	1,758,939	786,771	2,952,484
Total expenses	3,239,973	4,259,234	4,552,243	2,265,998	14,317,448
Annual surplus (deficit)	\$ 6,299,242	\$ (3,804,345)	\$ (1,063,136)	\$ 271,136	\$ 1,702,897

DISTRICT OF SOOKE

COVID-19 Safe Restart Grant

Year ended December 31, 2020
(Unaudited)

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Safe Restart Grant received November 2020	\$ 2,981,000
Total eligible costs incurred	-
<hr/>	
Balance, December 31, 2020	\$ 2,981,000
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District of Sooke**Statement of Financial Information for the Year ended December 31, 2020****Remuneration**

Council Remuneration, Wages & Expenses					
			Expenses (Note 1)		
Name	Position	Remuneration	Paid Directly	Paid Indirectly	Total
Tait, Maja	Mayor	\$30,000.00	\$159.05	\$425.34	\$584.39
Bateman, Jeffrey	Councillor	\$15,000.00	\$424.97	\$1,365.19	\$1,790.16
Beddows, Allan	Councillor	\$15,000.00	\$19.83	\$350.00	\$369.83
Lajeunesse, Dana	Councillor	\$15,000.00	\$567.19	\$1,365.19	\$1,932.38
Logins, Ebony	Councillor	\$15,000.00	\$ -	\$350.00	\$350.00
McMath, Megan	Councillor	\$15,000.00	\$ -	\$ -	\$ -
St-Pierre, Marcel	Councillor	\$15,000.00	\$ -	\$1,355.19	\$1,355.19
Total		\$120,000.00	\$1,171.04	\$5,210.91	\$6,381.95

Employees with Gross Salary Greater than \$75,000

<u>Name</u>	<u>Position</u>	<u>Wages > \$75,000</u>	<u>Expenses (Note 1)</u>
Barney, Matthew	Deputy Fire Chief II	\$152,012.87	\$1,086.78
Bastone, Tony	Building Official II	\$84,007.16	\$3,308.51
Bingham, Diego	Technology Support Analyst	\$76,084.20	\$428.69
Boquist, Jessica	Parks - Lead Hand	\$89,125.39	\$3,778.00
Cullum, Scott	Bylaw Enforcement Officer I	\$76,123.94	\$ -
Derrick, Brian	Engineering Technologist II	\$82,205.99	\$ -
Dueck, Stan	Chief Building Official	\$94,699.35	\$1,611.54
Goble, Brian	Head of Geographic Services	\$94,699.32	\$ -
Gray, Raechel	Director of Financial Services	\$143,264.86	\$1,446.73
Hooper, Laura	Parks & Environmental Coordinator	\$107,839.15	\$2,464.14
Johnson, Tara	Planner II	\$88,715.26	\$597.00
Kerr, Grayson	Firefighter	\$120,816.26	\$295.68
Knight, Deborah	Senior Financial Assistant	\$77,817.45	\$ -
Lesyshen, Katherine	Senior Planner	\$84,172.61	\$706.40
MacDonald, Constance	Head of Human Resources	\$82,009.35	\$2,184.51
McCrea, Christopher	FD Captain	\$133,901.70	\$641.88
McInnes, Norman	Chief Administrative Officer	\$173,374.87	\$2,670.96
McNeill, James	Wastewater Lead Operator	\$99,772.58	\$ -
Metzger, Brad	Building Official II	\$81,619.84	\$2,865.11
Mills, Medea	Bylaw Enforcement Officer II	\$82,890.94	\$839.73
Mount, Kenneth	Fire Chief	\$149,085.81	\$893.22
Mushata, Carolyn	Corporate Officer	\$135,092.58	\$2,401.46
Norris-Jones, Cameron	FD Captain	\$150,945.77	\$485.20
Pawlow, Matthew	Director of Planning & Developmnt	\$101,252.16	\$9,836.03
Rear, Patricia	Deputy Corporate Officer	\$92,209.93	\$2,024.53
Sutherland, Kyle	Firefighter	\$112,441.77	\$903.58
Temple, Benjamin	Firefighter	\$115,232.44	\$582.22
Zerr, Nikki	Land Development Technician	\$88,725.72	\$375.00
Total: Employees with remuneration Greater Than \$75,000		<u>\$2,970,139.27</u>	<u>\$42,426.91</u>
Other Employees with remuneration		<u>\$1,956,344.27</u>	<u>\$5,259.94</u>
TOTAL: EMPLOYEES		<u>\$4,926,483.54</u>	<u>\$47,686.85</u>

Summary

	Remuneration & Wages	Expenses
Elected Officials	\$120,000.00	\$6,381.95
Employees	<u>\$4,926,483.54</u>	<u></u>
TOTAL	<u>\$5,046,483.54</u>	<u>\$6,381.95</u>
Total wages from 2020 T4's	\$5,046,483.54	

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

Note 2: Salaries and Wages are reported in Note 12 to the 2020 Audited Financial Statements and includes accruals and other wage related accounting entries.

Supplier Payments Over \$25,000

District of Sooke	
Statement of Financial Information for the year ended December 31, 2020	
Schedule Showing Total Paid to Each Supplier For Payments Exceeding \$25,000	
Supplier Name	Amount
661314 B.C. LTD	54,737.04
Alfa Laval Inc	49,582.85
Associated Fire Safety	50,669.88
Atara Equipment Ltd	103,414.50
Bartlett Tree Experts	34,277.25
BC Assessment Authority	154,786.66
BC Hydro	491,587.69
BC Transit	739,181.34
Canadian Union of Public Employees	46,761.56
Capital City Paving Ltd.	733,123.19
Capital Reg. Emerg. Serv. Telecommunications	67,131.94
Capital Regional District	3,881,213.31
Capital Regional District-Water Dept	406,020.29
Capital Regional Hospital District	692,686.86
CDW Canada Inc	98,645.06
Central Square Canada Software Inc	54,649.15
CIBC - VISA	115,139.31
Collabware Systems Inc.	49,770.00
CRD Water Department	139,838.84
Desjardins Financial Security	246,586.66
DIALOG BC Architecture Engineering Interior Design Planning Inc	92,179.72

Emery Electric Ltd	25,862.68
Evergreen Centre Holdings Corp	89,757.91
Green for Life Environmental	27,547.14
Guillevin International Company	30,629.57
H L Disposal & Lawn Services Ltd	211,702.48
Hendry Swinton McKenzie	51,323.45
Hub Fire Engines & Equipment Ltd.	877,262.51
Insurance Corporation of BC	27,195.00
KPMG Chartered Accountants	36,225.00
McDermaids Ltd	41,631.36
Ministry of Transportation and Infrastructure	210,000.00
MPE Engineering Ltd	75,260.68
Municipal Finance Authority of BC	284,709.62
Municipal Insurance Association of British Columbia	104,369.59
Municipal Pension Plan	890,732.99
On Point Project Engineers Ltd	108,804.88
Petro Canada	25,964.87
R.C.M.P.	2,125,193.51
Ramida Enterprises Ltd.	159,742.90
Receiver General for Canada	1,448,082.49
Reed Pope Law Corporation	152,118.34
Revenue Services of British Columbia	76,513.45
Rocky Mountain Phoenix	113,907.79
School District #62 (Sooke)	135,377.53
School Tax	2,047,690.35
Sea View Rise Joint Venture	48,691.22
Sooke Community Association	29,691.00
Sooke Fire Fighters Association	37,779.00
Sooke Food Bank Society	35,750.00

Sooke Region Community Health Initiative	151,942.00
Sooke Region Museum	27,183.00
Sooke Transition House Society	28,684.00
Stantec Consulting Ltd.	291,736.55
T & T Demolition Ltd	189,763.17
Urban Systems	55,429.71
Vancouver Island Regional Library	693,332.00
Victoria Contracting	501,407.34
Waterhouse Environmental Services Corp	47,250.99
Worker's Compensation Board of BC	49,690.91
Young, Anderson, Barristers and Solicitors	84,583.92
Total Aggregate for Suppliers over \$25,000	\$ 19,952,504.00
Total Aggregate for Suppliers under \$25,000	\$ 1,380,867.81
Total Supplier payments	\$ 21,333,371.81

Severance Agreements

District of Sooke

Statement of Financial Information for the year ended December 31, 2020.

Statement of Severance Agreements

There was no severance agreement made between the District of Sooke and its non-unionized employees during 2020.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7)

Schedule of Guarantee and Indemnity Agreements

District of Sooke

2020 Statement of Financial Information

Schedule of Guarantee and Indemnity Agreements

The District of Sooke has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.