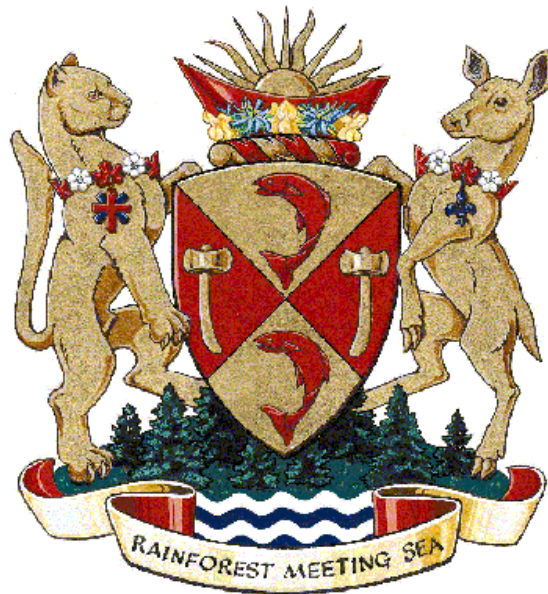


# DISTRICT OF SOOKE

## 2005 ANNUAL REPORT



*“Where the Rainforest Meets the Sea”*



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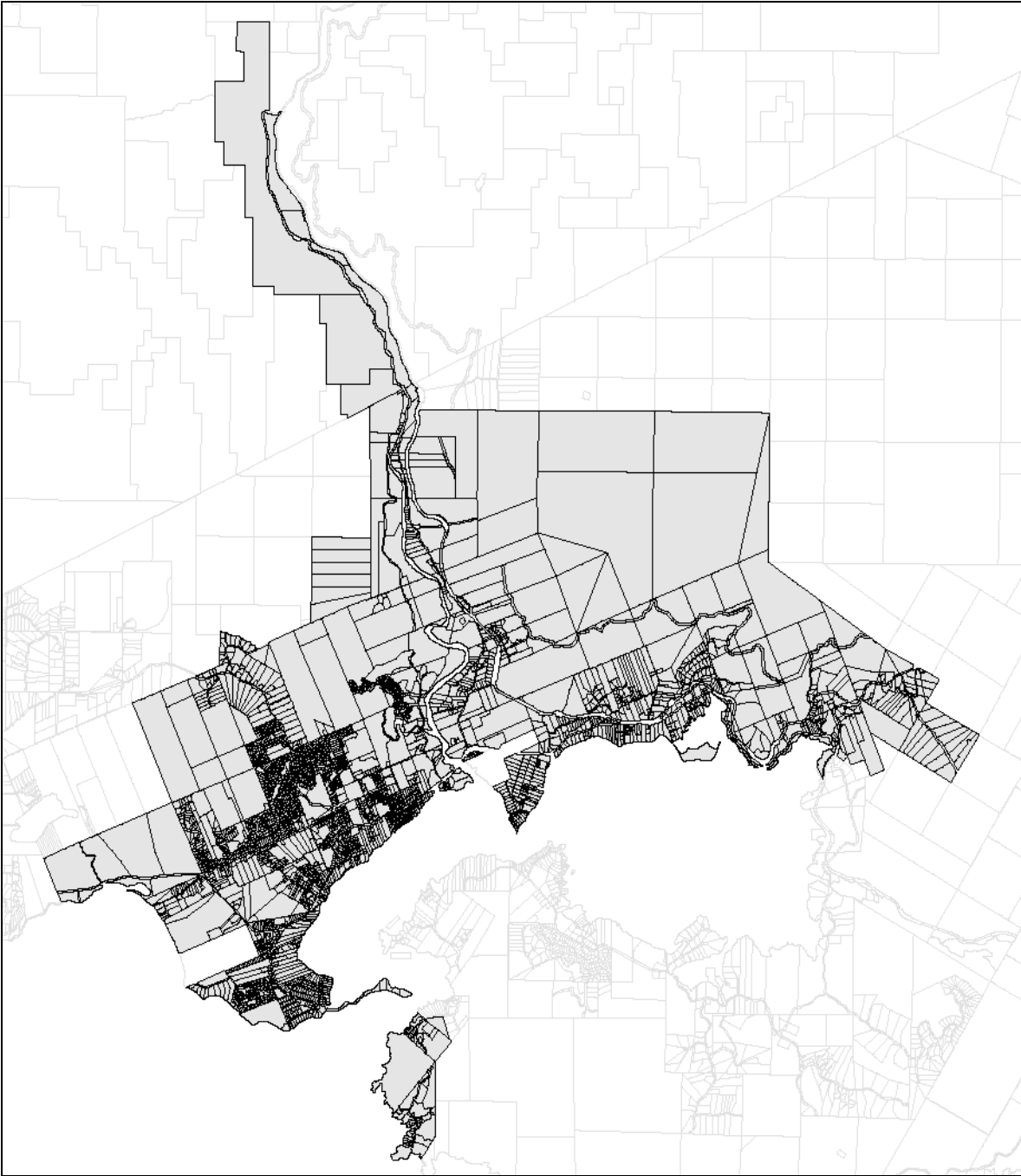
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District of Sooke Boundary Map



District of Sooke Mayor and Council 2004

(L to R) Councillor Lorna Barry, Councillor Tom Morino, Councillor George O'Brien, Councillor John Stephen, Mayor Janet Evans, Councillor Marcus Farmer, Councillor John Farmer



District of Sooke Municipal Hall

## Community Overview

Located on Vancouver Island, the District of Sooke is a short 35-minute drive from downtown Victoria, the capital city of British Columbia. The newly incorporated community's 9,000 residents enjoy a relaxed, casual lifestyle in a rural setting that also affords many of the amenities of city life.

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.

Dozens of local bed and breakfasts as well as motels and campgrounds offer accommodation, and those looking to take advantage of local fishing opportunities will find what they need from marinas and fishing charter guides.

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 such as a Par 3 golf course, Sooke Potholes Provincial Park, skateboard park, arena and aquatic centre, museum and visitor information centre, and much, much more.

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.

The volunteer spirit pulls residents together for numerous special events like the Rotary Auction and Spring Fair, the Sooke Canada Day celebration, the Sooke Philharmonic Orchestra "Fling" and the Sooke Fine Arts, the Island's largest juried art show. 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 to their fellow residents.

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

(From District of Sooke website: [www.district.sooke.bc.ca](http://www.district.sooke.bc.ca))

## Message from Mayor Janet Evans



On behalf of Council, I am pleased to introduce the 2005 Annual Report for the District of Sooke.

Council envisions that Sooke will be a healthy, vibrant and growing community with a clean harbour and basin, a great place to bring up a family and a relaxing place to retire and a community with a cultural, small-town atmosphere and an affordable lifestyle. As one of the most attractive places to live on Southern Vancouver Island, Sooke is faced with balancing the demand for growth with the need to maintain our quality of life and to protect the environment.

To these ends, the municipality is guided by goals and objectives that Council and Staff have established for infrastructure, projects and municipal procedures. You will find these within this report.

The Municipality experienced a very busy year in 2004 as we made significant progress towards many of our goals. The biggest goal was the construction of the sewer collection and treatment plant. District Staff, EPCOR and Chew Excavating began laying pipe throughout the sewer specified area and started construction of the plant. This is a two and a half year project due to complete in 2006, on time and on budget.

Council continues to meet as a Committee of the Whole to discuss developments and issues that relate to our goals and objectives, and welcomes public participation at all meetings.

Councillor Barry and I are still aggressively working with the Sooke Elderly Citizens Housing Society on the seniors assisted living housing project, and believe that we will have an agreement by the end of this year.

I'd like to take this opportunity to thank Council, Staff and the citizens of Sooke for their hard work and dedication in shaping our community in a balanced manner that is encouraging both economic growth and environmental preservation.

Mayor Janet Evans

## Message from the Chief Administrative Officer

Welcome to the District of Sooke 2005 Annual Report. We thank you for your interest in your local government. This report is based on the strategic direction and objectives of Council's 2005 Objectives Statement and reviews both the performance and achievements of District of Sooke Council during 2004 and looks ahead to 2005-2006.

As Chief Administrative Officer for the District of Sooke, my role is to provide leadership in the administration and execution of the objectives formulated by Council, develop and recommend alternative solutions to community problems for Council's consideration and to ensure that the planning and development of new programs will meet the future needs of the District. Amongst the numerous issues addressed in 2004, some major development projects were particularly significant. These included the wastewater treatment plant and sewer system, the Silver Spray annexation to the District of Sooke and the improvement and acquisitions of parks and trails within the District.

My responsibilities also include ensuring that the day-to-day activities of the District are carried out efficiently and effectively in order to provide affordable services to the taxpayer. Providing clear staff reports to Council, reflecting an acceptable process, is a priority as well.

This Annual Report is our formal report to the community and is one of the methods in which staff and Council can encourage better community relations. To find out more about the ongoing work of the District, I encourage you to visit our website at [www.district.sooke.bc.ca](http://www.district.sooke.bc.ca).

Peter Jmaeff  
Chief Administrative Officer



## Message from the Director of Finance

The Finance Department is responsible for budgets and financial planning, property taxes, accounts receivable, accounts payable, payroll, and grants-in-aid. The Finance Department also administers the District's purchasing policy and computer systems.

I am pleased to present the annual audited financial statements for the District of Sooke for the year ended December 31, 2004. The report provides a summary of the consolidated financial position and results of operations of the District, and is prepared in accordance with generally accepted accounting principles and recommendations of the Public Sector Accounting and Auditing Board (PSAAB). The audit was completed April 22, 2005 and presented to Council May 9, 2005.

Section 98 of the Community Charter states that a Council must prepare an annual report and requires that the audited financial statements be included with the report. Responsibility for completeness and accuracy of the financial statements lies with the management of the District. Sufficient internal controls exist and must be maintained to ensure the integrity of financial information.

The independent audit firm of KPMG LLP was retained to complete an audit of the financial results and express an opinion with respect to the statements. The opinion presented indicates that the consolidated financial statements and results of operations present fairly the financial position of the District as at December 31, 2004. The financial statements are attached as an appended document to this report.

Changes that took place for the 2004 year include the reporting method of fire equipment leases. In previous years, these have been treated as operating leases and have now been converted to capital leases. This was a retroactive adjustment to the prior year as well. Another significant change was the disclosure and reporting of post-employment benefits. These are potential future obligations relating to employee sick and severance benefits. These changes have been included in the audit report and statements.

Finally, I would like to express my gratitude to the Finance Department staff who worked particularly hard to cover the necessary roles during a period of transition. Looking ahead, we will strive to maintain the best possible financial results for the District.

Debbie Carter, CGA  
Director of Finance



## 2004 Financial Report

See Appended document.

## Permissible Tax Exemptions (2004)

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 2004:

Legal Description	Address	Value of Permissive Exemption
Lot A, Plan VIP61481, Section 2&3, Sooke Land District, Manufactured Home Reg. #66620 (PID 023-142-391)	Sooke Baptist Church 7110 West Coast Road	\$10,907.51
Lot B, Plan 18924, Section 3, Sooke Land District (PID 003-818-985)	Sooke Pentecostal Church 6851 West Coast Road	3,352.50
Lot 3, Plan 1169, Section 3, Sooke Land District: Taxation Action Section 13(d) (PID 007-838-166)	Holy Trinity Anglican Church 1962 Murray Road	2,030.24
Plan 1057, Sooke Land District, PT Sec 10 containing .48 Acre more or less being that pcl of land marked church on pl 1057 (lying south of Lot 14) Authority: Taxation Action Section 24(d) (PID 000-108-421)	Knox Presbyterian Church 2096 Church Road	3,056.69
Lot 1, Plan 9917, Section 15, Sooke Land District, Church Property Authority: Taxation Act Sec 13(d) (PID 000-349-909)	Juan de Fuca Seventh-Day Adventist Church 6251 Sooke Road	636.98
Lot 1, Plan 9247, Section 15, Sooke Land District, (PID 000-042-951)	Juan de Fuca Seventh-Day Adventist Church 6255 Sooke Road	914.46
Lot A, Plan VIP74513, Section 26, Sooke Land District, (PID 025-527-045)	Sooke Congregation of Jehovah's Witnesses 2207 Church Road	1,025.47
Lot 1, Plan 1540, Section 3, Sooke Land District, Authority: Taxation Act Sec 13 (Q) (PID 007-238-924)	Sooke Community Association Sooke Road	1,013.22
Plan 1540, Sooke Land District, Firstly: W ½ of Lot 8 Sec 3 Plan 1540 Secondly: Lots 9 and 10 Sec 3 Plan 1540: Taxation Act Section 13(Q) (PID 007-239-076)	Sooke Community Hall 2039 Shields Road	10,350.86
Lot 2, Plan VIP59555, Section 14, Sooke Land District, (PID 018-906-087)	Sooke Community Association Ballpark Throup Road	4,397.90
Lot 1, Plan 5996, Section 14, Sooke Land District: Taxation Act Sec 13 (Q) (PID 005-936-497)	Sooke Community Association Parking Area and Ballpark Throup Road	3,803.60
Parcel A, Lot 2, Plan 5996, Section 14, Sooke Land District, Authority: Taxation Act Section 13(Q) (PID 005-936-802)	Sooke Community Association Parking Area and Ball Park 6521 Throup Road	892.36
Parcel A, Block 7, Plan 5855, Section 14, Sooke Land District, (DD200743-l) Authority: Taxation Act Sec 13 (Q) (PID 005-941-245)	Sooke Community Association Parking Area and Ball Park Throup Road	901.23
Lot 2, Plan 17066, Section 15, Sooke Land District, Port=Except Plan 19346 Authority: Taxation Act Section 13(Q) (PID 004-132-289)	Sooke Community Association Fred Milne Park 2249 Sooke River Road	5,796.01

Permissible Tax Exemptions 2004: Cont'd.

Legal Description	Civic Address	Value of Permissive Exemption
Sooke Land District, Parcel F of Section 27 Authority: Taxation Act Section 13(Q), Manufactured Home Reg. #17036 (PID 009-374-591)	Sooke Community Association Park "Sooke Flats" 2039 Phillips Road	10,411.61
Plan 7017, Sooke Land District, Lot 4, Section 73, Plan 7017 Authority: Taxation Act Section 13(Q) (PID 005-801-818)	Sooke Community Association Parking Area and Ballpark Phillips Road	2,478.38
Plan 2451, Sooke Land District, Lot B, Section 3, Plan 2451 Authority: Taxation Act Sec 13 1(Q) (PID 006-576-290)	Sooke Lions Club Park Murray Road	1,940.50
Sooke Land District, Parcel B of Section 45 Authority: Taxation Act Section 13(Q) (PID 009-387-234)	Summer Camp of Brownies and Girl Guides Sooke River Road	2,768.77
Sooke Land District, That part of Sec 54 lying North of Victoria Pipe line Authority: Taxation Action Section 13(Q)	Camp Thunderbird Glinz Lake Road	1,538.21
Sooke Land District, North part of Section 55 Authority: Taxation Act Section 13(Q)	Camp Thunderbird Glinz Lake Road	1,636.81
Sooke Land District, Secs 56 & 57 Sooke and Parcel A of Sec 19 Otter and Sec 102 Sooke Authority: Taxation Act 13(Q) (PID 009-388-630)	Camp Thunderbird Glinz Lake Road	5,580.93
Block A, Section 59, Sooke Land District, Authority: Taxation Act Section 13(Q) (PID 009-388-702)	Camp Thunderbird Glinz Lake Road	2,632.70
Block A, Section 60, Sooke Land District, Authority: Taxation Act Section 13 (Q) (PID 009-388-729)	Camp Thunderbird Glinz Lake Road	2,366.47
Lot 2, Plan 15068, Section 3, Sooke Land District (PID 004- 171-306)	St. Vincent de Paul Society 6750 West Coast Road	4,667.61
Lot A, Plan VIP74590, Section 10, Sooke Land District (PID 025-545-582), except for that space occupied by the Ministry of Children and Family Development	Queen Alexandra Foundation for Children 2145 Townsend Road South	13,465.23
Lot A, Plan 18747, Section 0017, Sooke Land District (PID 003-773-272) for that area occupied by the Juan de Fuca Marine Rescue Society	Juan de Fuca Marin Rescue Society 7316 MacMillan Road	7,063.37
Sooke Land District, Sooke Harbour Authority on Government Wharf (water lot 193) for that area occupied by the Sooke Harbour Authority	Maple Avenue Wharf	55.88
Lot 193, Sooke Land District, Government Wharf on Water Lot 193 for that area occupied by the Sooke Harbour Authority	Maple Avenue Wharf	16,877.52
Lot B, Plan VIP69170, Section 73, Sooke Land District (PID 024-548-031)	Sooke Regional Historical Society Museum Phillips Road	17,129.95

## 2004 Municipal Services and Operations Report

The Development Services Department is responsible for community planning, engineering, building inspection, bylaw enforcement, and economic development.

The table below outlines the number of development applications received by Development Services during the period January 1, 2004 to and including December 31, 2004.

DISTRICT OF SOOKE	
DEVELOPMENT SERVICES 2004	
	Total Applications for 2004
Building Permits	257
Zoning/OCP Amendments	22
Development Permits	14
Development Variance Permits	12
ALR Applications	6
Board of Variance	2
Land/Water Referrals	4
Sign Permits (existing & new)	109
Access Permits	29
Subdivisions (including Soil Deposit/Removal)	38
<b>TOTAL PERMITS</b>	<b>493</b>

## 2004 Year in Review



Construction in Sooke 2004

### Building:

- Residential construction was approximately 80% above normal construction level
- Commercial/industrial construction: Queen Alexandra centre, District of Sooke Wastewater Treatment Plant

Building Inspection 2004

RESIDENTIAL	PERMITS ISSUED	CONSTRUCTION VALUE
Single Family Dwelling	143	\$19,805,324.00
Duplex	1	\$231,441.00
Multi-Family Dwelling	6	\$2,095,775.00
Moved Dwelling	2	\$34,525.00
Addit/Renov(Garages)/ Accessory Bldg	54	\$1,025,849.00
Manufactured Home	2	-
Demolition	3	-
Chimney/Fireplaces	24	-
Plumbing	2	-
Sprinklers	1	-
Revision/Extension/Insp/Sign	5	\$37,025.00
COMMERCIAL	PERMITS ISSUED	CONSTRUCTION VALUE
New	1	\$210,000.00
Addit/Renov	13	\$250,500.00
INDUSTRIAL	PERMITS ISSUED	CONSTRUCTION VALUE
New	-	-
Addit/Renov	-	-
TOTALS 2004	PERMITS ISSUED	CONSTRUCTION VALUE
	257	\$23,653,414.00

Engineering:

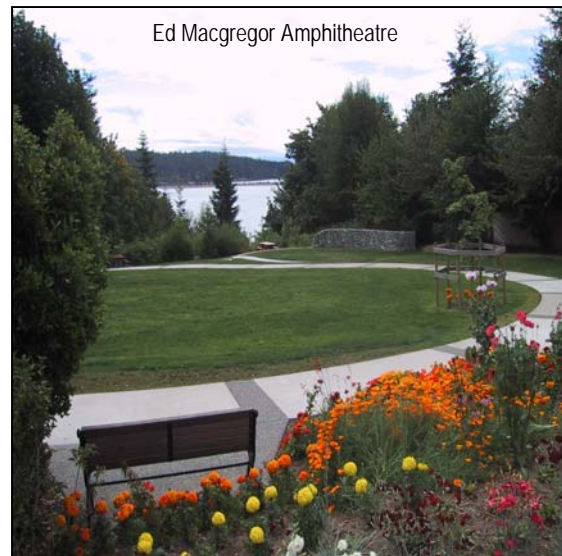
- Subdivision applications finalized in 2004 created 44 additional residential lots, 43 of which were located within the Sooke Core Sewer Specified Area
- Mainroads South Island Contracting awarded road maintenance contract for 5 years
- General Lawn Maintenance awarded park maintenance contract for 2004
- Sewage Collection/Treatment and Disposal system:
  - \$24 Million contract for sewage collection, treatment, and disposal system awarded to EPCOR. Work commencing and 35% complete at year end
  - Chew Excavating, on behalf of EPCOR, installed approximately 11.4 km of sewer mains and 550 property connections
  - Archaeological impact assessments completed at the suspected sites



- Commencement of construction of access road to treatment plant and site preparation of treatment plant construction
- Rights to Enter and sewer Right of Ways negotiated with various land owners
- Parallel Connector Route and Highway 14 Upgrade projects had preliminary design studies completed by consultants
- Liquid Waste Management Plan (Sewage) 99% completed
- In conjunction with the Sooke Rotary Club, the District of Sooke retained Ruskin Construction to install the Rotary Pier near the foot of Murray Road

Planning:

- Ed Macgregor Park amphitheatre completed
- Major Bylaws adopted: Vacation Accommodations, Sign Regulation, Street Trees
- Zoning Bylaw Review Committee working on first draft of bylaw
- Downtown Revitalization Committee established
- Silver Spray



Economic Development:

- Continued to explore possibility of obtaining Community Forest, attended Community Forests Session, appointed EDC liaison to local Community Forest Group
- Continued to pursue possibility of developing a bike park in Sooke
- Recommended establishment of committee to administer the Sooke Outdoor Arts Program
- Offered support for Charters Creek Salmon Restoration Society
- Passed resolution in support of Highway 14 and Parallel Connector Road projects
- In concert with the Sooke Chamber of Commerce, held workshop for local festival and event coordinators

Protective Services:

Fire Department  
Operational Report

- The Department's response to emergency incidents in 2004 was up by 15% over the number of incidents in 2003. A total of 600 emergency incidents were responded to in 2004 compared to 521 incidents in 2003. Langford Fire dispatch received and dispatched 505 of the calls. The remaining 95 calls were generated within Sooke by direct contact.
- In 2004 the Sooke Fire Department responded to an average of 11.5 incidents per week, compared to 10 per week in 2003.

- In 2004 there were 238 medical assistance calls, which contributed to 39.6% of the total call volume. In 2003 there were 130 medical assistance calls, which was 25% of the total call volume
- The number of incidents in 2004 attended by the Sooke Fire Department was the most that has ever been recorded in the Department's history. There has been increase in demand for services of approximately 15% per year over the last 5 years. This is a reflection of the ever-increasing demands on the department staff and its volunteer members.
- The call volume ranks Sooke Fire Department as one of the busier departments dispatched by Langford Fire, Langford Fire Rescue being the busiest, followed by Esquimalt Fire Department and then Sooke. The call report documents for the past 5 years reflect the type and number of incidents that the Department has responded to. The most noticeable increase has been the number of motor vehicle accidents, 70 in 2004 and 1<sup>st</sup> responder incidents, 238 in 2004. This is true in most jurisdictions, it is simply a matter of increased population and the demands those numbers make on the Fire Service. To put these numbers in perspective in relation to the cost of delivering the service, in 1999 the Department responded to a total of 300 calls. The call volume in 2004 is 100% higher than it was 5 years ago.

### Training Report

- Training of the members is critical and is required to maintain and enhance their current skill levels as well as ensuring that the members function efficiently in a team environment.
- The Office of the Fire Commissioner sets the minimum acceptable standard required for fire department training in the province. As of 2003, the National Fire Protection Association standards are the benchmark that the O.F.C. has adopted. The Sooke Fire Department trains all its members to this standard.
- The number of hours of training undertaken by departments' volunteer staff is considerable. The Fire Department members committed a total of 5721.5 hours or 817 person-days of training time in 2004 compared with a total of 3860 hours or 551 person-days in 1999. Based on an average strength of 40 members this equates to approximately 143 hours or 20.4 days per member in 2004.



House Burning Practice

### Inspections Investigation

- A total of 161 fire and life safety inspections were conducted to the end of 2004. A goal of 204 fire and life safety inspections was targeted in the Districts' Fire Inspection Policy. This number is down due to increased overall workloads.



- The fire and life safety inspection program is a cornerstone of the Department and as such, an increased emphasis will be placed on compliance with all fire code deficiencies that are identified. Compliance by the building owner, through cooperation and dialogue remains the goal of the Fire Department.
- It is the intention of the Fire Department to provide basic fire inspection training to the fire fighters so as to enable them to conduct engine company fire inspections, in conjunction with their building pre-planning. This program will be of a very limited scope in nature. It will serve to familiarize the fire fighters with the buildings they may be required to enter in an emergency and have the building owners become more familiar with the members of the Department. However, enforcement of the fire code and fire bylaw deficiencies will remain with the administrative staff of the Department.

### Public Education

- Public education and community relations are of particular importance to the Department. The dedicated members of this division have excelled in their delivery of services in the past year. They participated in the fire safety education of school children, the delivery of training to outside organizations, conducted station tours and have begun work on the Department's Fire Smart program, in conjunction with the District Emergency Program Coordinator and Planning Department.
- In 2004 the Pub Ed members were honoured along with neighbouring departments, by being awarded the "Public Educator of the Year" award by the BC Firefighters Association for all their hard work and efforts with respect to the annual Fire Safety Expo.

### Fire Apparatus

- Rescue Truck 207, which was identified in the District Apparatus Replacement Policy was refurbished and delivered in 2004, and has been integrated into the fleet. This vehicle is located at Station 2. Duty Officer unit 208 was also incorporated into the Department Fleet.
- The Apparatus Replacement Policy proposes the replacement of the water tank on Unit 202 in this calendar year and the replacement of Engine 204, which reaches its front line life expectancy this year. A replacement for Unit 204 is anticipated to be an aerial device.



## Emergency Program

Emergency programming is a half time position for one staff member in Sooke.

- Two federal grants received, one to establish a municipal emergency VHF radio system run by existing federally licensed volunteer amateurs (Sooke's international radio station callsign is VA7 SOK) and the other to purchase an electronic workboard for the Emergency Operations Centre
- More volunteers recruited to establish Neighbourhood Emergency Preparedness Program (NEPP) pods in various neighbourhoods in Sooke
- Municipal tabletop exercises conducted, the main one during Emergency Preparedness Week
- Emergency disaster assistance volunteer training memorandum of agreement established with Langford for training and mutual support
- Critical incident team participation by Sooke on a reciprocal agreement with the Victoria disaster assistance program
- Further developed strong connections for reciprocal information exchange and operational support with the Mid-Island Emergency Coordinators
- Emergency coordinator seconded for 3 months contract to the CRD to analyze and report on providing a regional hazardous materials (HAZMAT) response capability



## Bylaw Enforcement

Bylaw enforcement is a half time position for one staff member in Sooke. Bylaw enforcement is most often accomplished by appealing to the better nature of those involved to arrive at a mediated result. This reduces the acrimony typical of bylaw enforcement, lowers the we/they stance and achieves results with minimal reference to legal counsel and court appearance. Sooke had about one bylaw issue, case or complaint per working day (about 250 per year) since the Bylaw issues were dealt with locally (starting in 2003). This is exclusive of animal control issues that are still contracted to CRD.

## Police Services

The District of Sooke contracts with the RCMP for law enforcement for the municipality. The Sooke detachment provides the District of Sooke with one Staff Sergeant, two Corporals, ten Constables and three Public Service employees. Six Auxiliary Constables, a part time Victim Services worker, and several volunteers, who work in Victim Services and citizen crime watch patrol, are also provided. Bike patrols are provided on a part-time basis. For further information please see website [www.sookercmp.com](http://www.sookercmp.com).



## Municipal Goals and Objectives

As a young municipality, the District of Sooke is establishing specific goals and objectives for municipal procedures, infrastructure and projects. The following presents the progress report on 2004 Municipal objectives, many of which have been carried forward as ongoing projects into 2005 and 2006.

The *Community Charter* requires performance measures to determine progress in achieving Municipal goals and objectives. The project completion date is used as the progress measure in this report. In July 2005 and in October 2005, Council will review the objective statement and completion dates. At the time of review, Council will establish measurement criteria for the objectives and goals.

### Safe and Liveable Community:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Promote Construction and Development of Affordable Housing	<ul style="list-style-type: none"> <li>Review options in zoning bylaw during review.                             <ul style="list-style-type: none"> <li>- Be aware of added costs to housing by the municipality</li> <li>- Work with UBCM to develop alternate revenue sources for development of low cost housing - check adjacent jurisdictions</li> </ul> </li> </ul>	Ongoing	September 2005
	<ul style="list-style-type: none"> <li>Review strategies in Regional Growth Strategy</li> </ul>	Ongoing	November 2005
Establish Minimum Standards for Existing Housing	<ul style="list-style-type: none"> <li>Applicable to landlords of below standard rentals, Review workable solutions utilised in other communities, including CAO forums, local CAO meetings, Civic Info website</li> </ul>	Ongoing	December 2005
Promote Seniors Multi Level Care Housing	<ul style="list-style-type: none"> <li>Continue with lobby efforts</li> </ul>	Ongoing	December 2005
	<ul style="list-style-type: none"> <li>Assist in data gathering to support need for assisted living</li> </ul>	Completed	
Improve East Entrance to the Community (Welcome to Sooke viewpoint, signage, tagline)	<ul style="list-style-type: none"> <li>Improve aesthetics of boulevards in front of Edward Milne Community School and St. Rose of Lima Church                             <ul style="list-style-type: none"> <li>- Review low capital cost and low maintenance cost options for improvement of boulevards</li> <li>- Discuss maintenance sharing</li> <li>- Budget in 2005, possibly from casino revenue</li> </ul> </li> </ul>	Ongoing	Ongoing
	<ul style="list-style-type: none"> <li>Create viewpoint at Cooper's Cove                             <ul style="list-style-type: none"> <li>- Review opportunity for acquisition through development approval</li> <li>- Review width and availability within highway right of way or other public land</li> </ul> </li> </ul>	Ongoing	September 2005 December 2005
Downtown Maintenance	<ul style="list-style-type: none"> <li>Road maintenance contract, litter pickup and weed control</li> </ul>	Completed	
	<ul style="list-style-type: none"> <li>Implement Sign Regulation Bylaw</li> </ul>	Completed	

Safe and Livable Community, cont'd:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Improve Waterfront Access	<ul style="list-style-type: none"> <li>• Look at budgeting improvement of other waterfront sites, eg. Idlemore Road right of way</li> <li>• Search for partners to assist in improving sites</li> <li>• Continue pursuing harbour walkway opportunities (Phase 1, Neighbourhood Acceptance)</li> </ul>	Ongoing	Ongoing
Establish Trail Network	<ul style="list-style-type: none"> <li>• Ensure "informal trails" are identified in the Official Community Plan and are acquired when properties are developed</li> </ul>	Ongoing	Ongoing
Policing Contract	<ul style="list-style-type: none"> <li>• Quarterly discussions between NCO i/c and Council to set priorities and discuss service level</li> <li>• Monthly discussions between NCO i/c and Council as above</li> </ul>	Process Established	Ongoing
RCMP School Liaison	<ul style="list-style-type: none"> <li>• Consider cost/benefit of drug and school counsellor versus additional mental health services</li> <li>• Consider Provincial responsibility proportionate to school population splits</li> <li>• Consider at budget time</li> </ul>	Completed	December 2005
Support Park Watch Program	<ul style="list-style-type: none"> <li>• Budget support to a maximum of \$3,500</li> </ul>	Ongoing	2005

Governance:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Improve Cooperation Between Community Groups and Intergovernmental Agencies	<ul style="list-style-type: none"> <li>Utilize conflict resolution moderator or skills where needed (e.g. Sooke Community Association)</li> </ul>	Ongoing	Ongoing
	<ul style="list-style-type: none"> <li>Continue dialogue with T'Sou-ke Nation (joint meeting)</li> </ul>	Ongoing	Ongoing
	<ul style="list-style-type: none"> <li>Relationship with Juan de Fuca Electoral Area</li> </ul>	Ongoing	Ongoing
	<ul style="list-style-type: none"> <li>Sooke and Electoral Area Parks and Recreation Commission: look at long term operation; research what occurred at Juan de Fuca Recreation</li> </ul>	Ongoing	Ongoing
Communication with Community	<ul style="list-style-type: none"> <li>Council adopt role of catalyst for community cooperation</li> </ul>	Ongoing	Ongoing
	<ul style="list-style-type: none"> <li>Public awareness:                             <ul style="list-style-type: none"> <li>- publish and publicize annual report, goals, accomplishments</li> <li>- Identify multiple communication techniques and determine best venues; quality dialogue; better event attendance; maximize transparency</li> </ul> </li> </ul>	Process established	July 2005
	<ul style="list-style-type: none"> <li>Maintain community vision</li> <li>Encourage youth involvement: involve in specific projects whenever possible</li> </ul>	Ongoing Ongoing	Ongoing Ongoing
Hire Chief Administrative Officer	<ul style="list-style-type: none"> <li>Review applicants, complete reference checks, and undertake interviews.</li> </ul>	Completed	
Ensure Fiscal Responsibility in Staff Resources	<ul style="list-style-type: none"> <li>Be cognizant of workload when assigning work; regular meeting between Council and CAO and senior staff as applicable.</li> </ul>	Process Established	
	<ul style="list-style-type: none"> <li>Identify service level triggers that identify when help is needed (staff/Council)</li> </ul>	Ongoing	Completed
	<ul style="list-style-type: none"> <li>Determine what staff levels required to ensure Council expectations are met, a positive work culture and avoid staff burnout</li> </ul>		July 2005
Communication with Staff	<ul style="list-style-type: none"> <li>Hold workshops: Council once a month with Chief Administrative Officer and twice yearly with staff</li> </ul>	Process Established	
Staffing Plan - Sewers Workload	<ul style="list-style-type: none"> <li>Development of Long Term Staffing Plan</li> </ul>	Completed	
Compensation Committee	<ul style="list-style-type: none"> <li>Activated every three years mid-term and mandated in employee handbook</li> </ul>	Process Established	

Governance, cont'd:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Establish Sooke Harbour Commission as long-term possibility	<ul style="list-style-type: none"> <li>• Research cost/benefit and cost/revenues</li> <li>• Discuss with Sooke Harbour Authority Society &amp; Sooke Harbour and Basin Water Quality Advisory Commission</li> </ul>	Ongoing Ongoing	December 2005 December 2005
Develop Capital Priorities List: Council to plan for utility infrastructure needs for growth taking into consideration current infrastructure condition, funding sources and capacity	<p>Established 2005</p> <ul style="list-style-type: none"> <li>• Review inventory of existing &amp; future needs</li> <li>• Cross reference to funding sources</li> <li>• Establish and apply capital priority criteria</li> <li>• Final report</li> </ul>	n/a	January 2006 March 2006 June 2006 October 2006
Develop alternative budget reconciliation strategies.	<p>Established 2005</p> <ul style="list-style-type: none"> <li>• Determine: Capacity for future growth; Alternate service delivery; Alternate revenue options; Current service improvements; Core services</li> <li>• Prepare service inventory</li> <li>• Workshop service review</li> <li>• Establish services policy</li> <li>• Initiate service improvement program</li> </ul>	n/a	Ongoing  August 2005 September 2005 September 2005 October 2005



Planning:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Complete Zoning Bylaw Review	<ul style="list-style-type: none"> <li>Budget funding for review process</li> <li>Committee to commence review</li> <li>Committee to present zoning bylaw</li> </ul>	Completed Completed	August 2005
Establish Development Cost Charges	<ul style="list-style-type: none"> <li>Establish road and sewer DCCs</li> <li>Consider parks and storm drain DCCs</li> </ul>	Ongoing Ongoing	July 2005 April 2006
Complete Liquid Waste Management Plan	<ul style="list-style-type: none"> <li>Sewage: Council continue budgeting and working to its conclusion and implementation</li> <li>Stormwater: Inventory in Council budget; Policies, issue identification in 2005</li> </ul>	Ongoing Ongoing	Phase II August 2005 2006
Complete Drainage Plan	<ul style="list-style-type: none"> <li>Develop policy on responsibility and priority for municipal responsibility</li> </ul>	Ongoing	2006
Implement Regional Growth Strategy	<ul style="list-style-type: none"> <li>Deal with context statements</li> <li>Council members take active role in implementation studies especially transportation study (Phase I)</li> </ul>	Ongoing Ongoing	August 2005 November 2005
Controlled Growth Management and Tools- Council to direct the development of growth management tools and strategies for the purpose of maintaining quality of life and protecting the environment.	<p>Established 2005</p> <ul style="list-style-type: none"> <li>Research best practices</li> <li>Identify key issues and review recommendations</li> <li>Seek public input</li> <li>Draft Growth Management Strategy</li> </ul>	n/a	January 2006 February 2006 May 2006 September 2006
Road Maintenance Contract	<ul style="list-style-type: none"> <li>Timing is critical - Report to Council</li> <li>Discuss reporting format to Council</li> </ul>	Completed Completed	

Infrastructure:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Construct wastewater collection system, treatment plant and disposal system	• Actively pursue and complete land acquisition for treatment plant	Completed	
	• Complete design/build contract and operating contract	Completed	
	• Draft Council policy for additional properties to be in Sooke Core Sewer Specified Area once actual costs and revenue is known	Completed	
	• Continued monitoring of the construction of the sewer system and wastewater treatment plant		June 2006
Construct parallel connector as identified in Traffic Plan 2000	• Pursue Infrastructure Program grant for parallel connector	Completed	Referendum failed
	• Prepare a report considering funding in 2004 budget for parallel connector	Completed	
	• Implement development cost charges bylaw to generate revenue	Ongoing	August 2005
Improve Highway 14 as identified in Traffic Plan 2000	• Discuss broad transportation issues at a regional and sub regional level	Completed	Referendum failed
	• Lobby Provincial government through MLA and Cabinet	Completed Completed	
	• Utilise Member of Parliament as lobbyist.		
Global Traffic Study: Plan for long-term transportation vision as a part of the Ministry of Transportation Study.	Established 2005 • Develop Terms of Reference • MOT: hire a consultant; design process; public process; draft report	n/a	Phase I Completion October 2005; Phase II Completion January 2006
Second Crossing Over Sooke River	• Plan for eventual second crossing over Sooke River and identify location in long-term transportation vision	Ongoing	See Global Traffic Study
North Sooke Water System Expansion in 2007	Established 2005 • Continued dialogue with the Capital Regional District Water department	n/a	Ongoing
	• Monitor application for BC/Canada Infrastructure Grant		Ongoing
Construct Sidewalks in Core Area	• Develop strategy to identify phasing of sidewalk construction funded by District of Sooke	Ongoing	December 2005
	• Budget annually minimum funds for construction	Ongoing	Ongoing
	• Establish policy allowing local improvement area	Ongoing	December 2005

Economic Development:

<i>Goal:</i>	<i>Objectives:</i>	<i>2004 Progress (completion date):</i>	<i>2005/2006 Measure (completion date):</i>
Investigate Cost-Sharing Charters Nature Interpretive Centre	<ul style="list-style-type: none"> <li>• Liase with community groups investigating issue</li> <li>• Report to Council</li> </ul>	Ongoing Ongoing	December 2005 December 2005
Promote Downtown Revitalization	<ul style="list-style-type: none"> <li>• Appoint a steering committee. Staff team to be led by Municipal Planner with assistance from multi-disciplinary team including Engineering, Economic Development, and Finance/Administration</li> <li>• Council direct the development of a comprehensive redevelopment plan for the Sooke core based on objectives outlined in existing documents such as OCP and Subdivision and Development Standards Bylaw, and containing the following components: infrastructure development and replacement; land use; aesthetics; economic development; implementation tools</li> </ul>	Completed  Ongoing	  March 2006
Downtown Revitalization Committee	<p>Established 2005</p> <ul style="list-style-type: none"> <li>• Public consultation</li> <li>• Draft discussion paper</li> <li>• Review and directions</li> <li>• Presentation to Council</li> <li>• Final report</li> </ul>	n/a	April 2005 May 2005 June 2005 June 2005 October 2005
Promote New Investment	<ul style="list-style-type: none"> <li>• Coordinate effort to develop community consensus for a marketing strategy</li> </ul>	Ongoing	December 2005
Industrial Park	<ul style="list-style-type: none"> <li>• Economic Development Commission Review of Report</li> </ul>	Ongoing	February 2006

## Declaration and Identification of Disqualified Council Members

Nothing to report.

Audited Financial Statements of the

**DISTRICT OF SOOKE**

Year ended December 31, 2004

# DISTRICT OF SOOKE

Municipal Council

2004

## **MAYOR**

Janet Evans

## **COUNCILLORS**

Lorna Barry

Tom Morino

John Stephen

John Farmer

Marcus Farmer

George OBriain

~~~~~

## **OFFICIALS**

Chief Administrative Officer

Director of Finance  
(effective January 4, 2005)

Peter Jmaeff

Debbie Carter

~~~~~

Auditors

Solicitors

Bankers

KPMG LLP

Lidstone, Young, Anderson

Canadian Imperial Bank  
of Commerce

Police

RCMP - Sooke Detachment

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The following financial statements are prepared in accordance with  
Section 167 of the Community Charter.

# DISTRICT OF SOOKE

Audited Financial Statements

Year ended December 31, 2004

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## **FINANCIAL REPORTING RESPONSIBILITY**

The accompanying financial statements of the District of Sooke (the "District") are the responsibility of management. To ensure their integrity, objectivity and reliability, management has selected appropriate accounting policies that are consistent with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The financial statements necessarily include some amounts that are based on estimates and the judgment of management with appropriate consideration to materiality.

The District's accounting systems and related internal controls and supporting procedures are designed and maintained to provide reasonable assurance that financial records are complete and accurate and that assets are safeguarded against loss from unauthorized use or disposition. The procedures include training and selection of qualified staff, the establishment of an organizational structure that provides a well-defined division of responsibilities, accountability for performance and communication of standards of business conduct.

The Municipal Council oversees management's responsibilities for the financial reporting and internal control systems. Council meets periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged and to review and receive the consolidated financial statements.

KPMG LLP, Chartered Accountants, the independent auditors appointed by the District, have examined these financial statements and issued their report, which follows. The auditors have full and unrestricted access to the Council to discuss their audit and their related findings as to the integrity of the financial reporting process.

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Chief Administrative Officer

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Director of Finance



**KPMG LLP**  
**Chartered Accountants**  
St. Andrew's Square II  
800-730 View Street  
Victoria BC V8W 3Y7

Telephone (250) 480-3500  
Telefax (250) 480-3539  
www.kpmg.ca

## **AUDITORS' REPORT TO THE MAYOR AND COUNCILLORS OF THE DISTRICT OF SOOKE**

We have audited the consolidated statement of financial position of the District of Sooke as at December 31, 2004 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the District's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font.

Chartered Accountants

Victoria, Canada

April 22, 2005

# DISTRICT OF SOOKE

## Consolidated Statement of Financial Position

## Statement A

December 31, 2004, with comparative figures for 2003

|                                                            | 2004                 | 2003                |
|------------------------------------------------------------|----------------------|---------------------|
| <b>Financial Assets</b>                                    |                      |                     |
| Cash and short-term investments (note 2)                   | \$ 3,826,889         | \$ 4,194,312        |
| Taxes receivable                                           | 307,758              | 475,207             |
| Accounts receivable (note 3)                               | 4,083,478            | 141,972             |
| Other assets                                               | 51,432               | 15,300              |
| <b>Total financial assets</b>                              | <b>8,269,557</b>     | <b>4,826,791</b>    |
| <b>Liabilities</b>                                         |                      |                     |
| Accounts payable and accrued liabilities (note 4)          | 1,379,082            | 584,808             |
| Deferred revenue (note 5)                                  | 23,099               | 116,179             |
| Deposits and bonds                                         | 11,360               | 89,270              |
| Employee benefit obligations (note 6)                      | 55,417               | 56,423              |
| Lease obligations (note 7)                                 | 768,945              | 687,039             |
| Municipal Finance Authority interim financing (note 16(c)) | 6,114,347            | -                   |
| Long-term debt (note 8)                                    | 729,859              | 776,792             |
| <b>Total liabilities</b>                                   | <b>9,082,109</b>     | <b>2,310,511</b>    |
| <b>Net financial assets (liabilities)</b>                  | <b>(812,552)</b>     | <b>2,516,280</b>    |
| <b>Capital assets (note 9)</b>                             | <b>13,795,344</b>    | <b>6,596,619</b>    |
| <b>Net municipal position</b>                              | <b>\$ 12,982,792</b> | <b>\$ 9,112,899</b> |
| <b>Municipal Position</b>                                  |                      |                     |
| General Revenue Fund (Schedule A)                          | \$ 3,231,100         | \$ 3,394,366        |
| Capital Fund (Schedule B)                                  | -                    | -                   |
| Sewer Capital Fund (Schedule C)                            | 2,994,319            | -                   |
| Reserves Fund (Schedule D) (note 10)                       | 575,180              | 585,745             |
| Equity in capital assets (note 11)                         | 6,182,193            | 5,132,788           |
| <b>Municipal position</b>                                  | <b>\$ 12,982,792</b> | <b>\$ 9,112,899</b> |

Commitments and contingencies (note 16)

See accompanying notes to financial statements.

\_\_\_\_\_  
Director of Finance

# DISTRICT OF SOOKE

## Consolidated Statement of Financial Activities

## Statement B

Year ended December 31, 2004, with comparative figures for 2003

|                                                                             | Budget<br>2004    | Actual<br>2004    | Actual<br>2003   |
|-----------------------------------------------------------------------------|-------------------|-------------------|------------------|
| <b>Revenue:</b>                                                             |                   |                   |                  |
| Net taxes available for municipal purposes (note 12)                        | \$ 2,477,519      | \$ 2,473,430      | \$ 2,257,777     |
| Net payments in lieu of taxes available for<br>municipal purposes (note 13) | 17,000            | 17,785            | 17,994           |
| Sales and user fees                                                         | 28,750            | 123,214           | 274,646          |
| Government transfers and grants (note 14)                                   | 3,196,967         | 3,991,925         | 651,451          |
| Investment income                                                           | 103,000           | 90,641            | 114,726          |
| Penalties and fines                                                         | 80,000            | 76,270            | 81,505           |
| Licenses and permits                                                        | 252,200           | 376,257           | 314,214          |
| Lease and rental                                                            | 81,000            | 70,642            | 102,776          |
| Donations and contributions                                                 | 90,500            | 79,917            | 51,200           |
| Disposal of assets                                                          | -                 | -                 | -                |
| Casino revenue sharing                                                      | 185,000           | 206,619           | 187,230          |
|                                                                             | <u>6,511,936</u>  | <u>7,506,700</u>  | <u>4,053,519</u> |
| <b>Expenditure:</b>                                                         |                   |                   |                  |
| General government services:                                                |                   |                   |                  |
| Legislative                                                                 | 89,294            | 92,315            | 86,480           |
| Administrative                                                              | 775,121           | 800,636           | 693,946          |
|                                                                             | <u>864,415</u>    | <u>892,951</u>    | <u>780,426</u>   |
| Protective services:                                                        |                   |                   |                  |
| Policing                                                                    | 845,773           | 808,893           | 411,669          |
| Fire protection and emergency response                                      | 561,216           | 694,761           | 930,201          |
| Inspection and bylaw services                                               | 148,544           | 171,460           | 141,064          |
|                                                                             | <u>1,555,533</u>  | <u>1,675,114</u>  | <u>1,482,934</u> |
| Engineering and development:                                                |                   |                   |                  |
| Roads, inspections and development                                          | 7,015,682         | 7,159,687         | 519,458          |
| Community services:                                                         |                   |                   |                  |
| Public health                                                               | 73,565            | 67,460            | 62,663           |
| Recreation and parks                                                        | 770,293           | 764,954           | 427,342          |
|                                                                             | <u>843,858</u>    | <u>832,414</u>    | <u>490,005</u>   |
| Development services:                                                       |                   |                   |                  |
| Planning                                                                    | 264,031           | 237,183           | 191,418          |
| Economic development                                                        | 63,803            | 38,183            | 45,256           |
|                                                                             | <u>327,834</u>    | <u>275,366</u>    | <u>236,674</u>   |
| Total expenditure (note 15)                                                 | <u>10,607,322</u> | <u>10,835,532</u> | <u>3,509,497</u> |
| Excess (deficiency) of revenue over expenditure                             | (4,095,386)       | (3,328,832)       | 544,022          |
| Debt proceeds                                                               | 3,734,000         | 6,114,347         | -                |
| Debt principal repaid                                                       | (46,933)          | (46,933)          | (43,365)         |
| Lease proceeds                                                              | -                 | 138,950           | 381,153          |
| Lease principal repaid                                                      | -                 | (57,044)          | (35,801)         |
| Change in fund balance                                                      | \$ (408,319)      | \$ 2,820,488      | \$ 846,009       |

See accompanying notes to financial statements.

# DISTRICT OF SOOKE

## Consolidated Statement of Changes in Financial Position

## Statement C

Year ended December 31, 2004, with comparative figures for 2003

|                                                        | 2004           | 2003         |
|--------------------------------------------------------|----------------|--------------|
| Cash and short-term investments provided by (used in): |                |              |
| Operating activities:                                  |                |              |
| Excess (deficiency) of revenue over expenditure        | \$ (3,328,832) | \$ 544,022   |
| Increase (decrease) in non-cash items                  | (3,187,911)    | (119,019)    |
|                                                        | (6,516,743)    | 425,003      |
| Financing activities:                                  |                |              |
| Debt proceeds                                          | 6,114,347      | -            |
| Debt principal repaid                                  | (46,933)       | (43,365)     |
| Lease proceeds                                         | (57,044)       | (35,801)     |
| Lease principal repaid                                 | 138,950        | 381,153      |
|                                                        | 6,149,320      | 301,987      |
| Increase (decrease) in cash                            | (367,423)      | 726,990      |
| Cash and short-term investments, beginning of year     | 4,194,312      | 3,467,322    |
| Cash and short-term investments, end of year           | \$ 3,826,889   | \$ 4,194,312 |

See accompanying notes to financial statements.

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

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The District of Sooke (the "District") is a municipality in the Province of British Columbia and was incorporated December 7, 1999 under the provisions of the British Columbia Local Government Act. A previously existing organization delivering fire services in the same geographical area, the Sooke Fire Protection District, was dissolved at December 7, 1999 and all assets and liabilities were transferred to the District.

## 1. Significant accounting policies:

The consolidated financial statements of the District are prepared by management in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the District are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, changes in fund balances, and changes in financial position of the District.

(b) Revenue recognition:

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

Revenue unearned in the current period is recorded as deposits or deferred revenue.

(c) Fund accounting:

Funds within the consolidated financial statements consist of the general revenue, capital, sewer capital, and reserves fund. Transfers between funds are recorded as adjustments to the appropriate fund balances.

(d) Investments:

The investments are recorded at cost which approximates fair market value.

(e) Capital assets:

Capital assets acquired or constructed for general government purposes are recorded at cost as expenditures in the period they are acquired. Donated capital assets are recorded at their estimated fair value at the time they are received. On incorporation all capital assets owned by the Sooke Fire Protection District were transferred to the District at their recorded amount of \$3,538,788. In addition, parkland with an assessed value of \$453,200 was contributed by the Capital Regional District and is reflected in the accounts at the assessed value.

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

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## 1. Significant accounting policies (continued):

### (e) Capital assets (continued):

Engineering structures represent additions from the date of incorporation. The costs of engineering structures existing at the time of incorporation are not reflected in these statements.

The District does not record amortization on capital assets.

### (f) Employee future benefits:

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

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

### (g) Reserve for future expenditures:

Council approves amounts which are subsequently transferred to reserves. Transfers to and from reserves are reflected as an adjustment to the respective fund.

### (h) Equity in capital assets:

Equity in capital assets represents the investment in capital assets. Equity increases as capital assets are acquired without incurring long-term debt or, where such debt is incurred, by the reduction of debt. Equity decreases as capital assets are written off on disposal.

### (i) Government transfers:

Government transfers are recognized as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

### (j) Deferred revenue:

Receipts that are restricted by legislation by the provincial or federal government or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenditures are incurred restricted revenues are brought into revenue at equal amounts.

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

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## 1. Significant accounting policies (continued):

(k) Use of estimates:

The preparation of financial statements, in conformity with generally accepted accounting principles, 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 expenditures during the period. Actual results could differ from those estimates.

## 2. Cash and short-term investments:

---

|                                                | 2004               | 2003               |
|------------------------------------------------|--------------------|--------------------|
| Bank deposits                                  | \$ 641,482         | \$ 687,042         |
| Municipal Finance Authority Money Market Funds | 3,185,407          | 3,507,270          |
|                                                | <hr/> \$ 3,826,889 | <hr/> \$ 4,194,312 |

---

## 3. Accounts receivable:

---

|                          | 2004               | 2003             |
|--------------------------|--------------------|------------------|
| General operations       | \$ 490,294         | \$ 141,972       |
| Sewer project operations | 3,593,184          | -                |
|                          | <hr/> \$ 4,083,478 | <hr/> \$ 141,972 |

---

## 4. Accounts payable and accrued liabilities:

---

|                          | 2004               | 2003             |
|--------------------------|--------------------|------------------|
| General operations       | \$ 780,217         | \$ 584,808       |
| Sewer project operations | 598,865            | -                |
|                          | <hr/> \$ 1,379,082 | <hr/> \$ 584,808 |

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# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

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## 5. Deferred revenue:

On March 15, 2002 the District received provincial funding to offset the costs of policing from April 1, 2002 until March 31, 2004. The balance of \$88,331 at December 31, 2003 has been brought into revenue in 2004.

Also included in deferred revenue are contributions received by the District for the development of the Ed Macgregor Memorial Park Sponsorship Program, a grant received in 2004 for emergency planning, and a grant received in 2004 for a West Nile study.

## 6. Employee benefit obligations:

|                            | 2004             | 2003             |
|----------------------------|------------------|------------------|
| Accrued vacation           | \$ 38,712        | \$ 38,605        |
| Other contract obligations | 16,705           | 17,818           |
|                            | <u>\$ 55,417</u> | <u>\$ 56,423</u> |

Employee benefit obligations represent accrued benefits as at December 31, 2004. 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 and accumulated sick leave banks 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.

The significant actuarial assumptions used in estimating employee future benefit obligations are as follows:

|                                    | 2004  | 2003  |
|------------------------------------|-------|-------|
| Discount rate                      | 5.00% | 5.00% |
| Expected wage and salary increases | 3.00% | 3.00% |
| Expected inflation rate            | 2.50% | 2.50% |

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# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

## 7. Lease obligations:

The District has financed certain fire fighting equipment by entering into capital leasing arrangements with the Municipal Finance Authority and which are recorded as capital leases. The District may acquire ownership of the equipment at the end of the lease term upon payment of the residual value of \$575,400. Repayments are due as shown:

|                                                                              |    |          |
|------------------------------------------------------------------------------|----|----------|
| 2005                                                                         | \$ | 84,816   |
| 2006                                                                         |    | 100,354  |
| 2007                                                                         |    | 284,607  |
| 2008                                                                         |    | 268,500  |
| 2009                                                                         |    | 94,127   |
| Total minimum payments                                                       |    | 832,404  |
| Less amounts representing interest<br>(at rates ranging from 2.75% to 4.75%) |    | (63,459) |
| Present value of net minimum capital lease payments                          | \$ | 768,945  |

Total interest expense during the year was \$79,575 (2003 - \$58,301).

## 8. Long-term debt:

Long-term debt of \$729,859 (2003 - \$776,792) is comprised of tax-supported debt. Principal payments on long-term debt for the next five years are as follows:

|                    | 2005      | 2006      | 2007      | 2008      | 2009      |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Tax supported debt | \$ 36,829 | \$ 39,315 | \$ 41,969 | \$ 44,802 | \$ 47,826 |

Existing long-term debt matures in annual amounts to the year 2017. Interest is payable at 6.75%. Interest charges in the year relating to long-term debt are \$51,992 (2003 - \$55,634).

## 9. Capital assets:

|                         | 2004          | 2003         |
|-------------------------|---------------|--------------|
| Land                    | \$ 1,763,979  | \$ 1,763,159 |
| Buildings               | 2,212,714     | 2,152,130    |
| Machinery and equipment | 1,379,407     | 1,359,418    |
| Engineering structures  | 1,839,357     | 1,321,912    |
| Sanitary sewer utility  | 6,599,887     | -            |
|                         | \$ 13,795,344 | \$ 6,596,619 |

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

## 10. Reserves Fund:

|                                    | Beginning<br>balance | Revenue           | Transfer (to)<br>from<br>other funds | Ending<br>balance |
|------------------------------------|----------------------|-------------------|--------------------------------------|-------------------|
| Casino Revenue Reserve             | \$ 217,909           | \$ 206,619        | \$ (264,897)                         | \$ 159,631        |
| Parkland Reserve                   | 112,868              | 13,992            | -                                    | 126,860           |
| Fire Protection Capital Reserve    | 244,250              | 5,363             | (19,989)                             | 229,624           |
| Sooke Outdoor Arts Program Reserve | 10,718               | 5,310             | (109)                                | 15,919            |
| Capital Works Reserve              | -                    | -                 | 43,146                               | 43,146            |
|                                    | <u>\$ 585,745</u>    | <u>\$ 231,284</u> | <u>\$ (241,849)</u>                  | <u>\$ 575,180</u> |

## 11. Equity in capital assets:

|                           | 2004                | 2003                |
|---------------------------|---------------------|---------------------|
| Beginning balance         | \$ 5,132,788        | \$ 4,784,116        |
| Asset acquisitions        | 7,198,725           | 650,659             |
| Debt proceeds             | (6,114,347)         | -                   |
| Debt principal repayments | 46,933              | 43,365              |
| Lease proceeds            | (138,950)           | (381,153)           |
| Lease principal repayment | 57,044              | 35,801              |
| Ending balance            | <u>\$ 6,182,193</u> | <u>\$ 5,132,788</u> |

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

## 12. Net taxes available for municipal 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.

|                                            | 2004                | 2003                |
|--------------------------------------------|---------------------|---------------------|
| Taxes:                                     |                     |                     |
| Property tax                               | \$ 7,072,873        | \$ 6,510,240        |
| 1% utility tax                             | 73,991              | 71,960              |
|                                            | <u>7,146,864</u>    | <u>6,582,200</u>    |
| Less taxes on behalf of:                   |                     |                     |
| School authorities                         | 2,987,815           | 2,771,142           |
| Capital Regional District                  | 1,183,106           | 1,088,440           |
| British Columbia Assessment Authority      | 90,942              | 85,936              |
| Municipal Finance Authority                | 218                 | 188                 |
| Victoria Regional Transit Authority        | 156,718             | 129,343             |
| Capital Regional Hospital District         | 254,635             | 249,374             |
|                                            | <u>4,673,434</u>    | <u>4,324,423</u>    |
| Net taxes available for municipal purposes | <u>\$ 2,473,430</u> | <u>\$ 2,257,777</u> |

## 13. Net payments in lieu of taxes available for municipal purposes:

|                                             | 2004             | 2003             |
|---------------------------------------------|------------------|------------------|
| Payments in lieu of taxes                   | \$ 43,268        | \$ 39,962        |
| Less taxes on behalf of:                    |                  |                  |
| School authorities                          | 13,775           | 10,808           |
| Capital Regional District                   | 9,094            | 8,998            |
| British Columbia Assessment Authority       | 414              | 352              |
| Victoria Regional Transit Authority         | 1,141            | 824              |
| Capital Regional Hospital District          | 1,059            | 934              |
| Municipal Finance Authority                 | -                | 52               |
|                                             | <u>25,483</u>    | <u>21,968</u>    |
| Net payments in lieu for municipal purposes | <u>\$ 17,785</u> | <u>\$ 17,994</u> |

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

## 14. Government transfers and grants:

The following provincial government transfers have been included in revenues:

|                         | 2004                | 2003              |
|-------------------------|---------------------|-------------------|
| Operating transfers:    |                     |                   |
| Small Communities Grant | \$ 225,537          | \$ 227,913        |
| Policing Grant          | 88,331              | 411,669           |
| Other                   | 84,873              | 11,869            |
| Sewer capital transfers | 3,593,184           | -                 |
|                         | <u>\$ 3,991,925</u> | <u>\$ 651,451</u> |

## 15. Expenditures by object:

|                                          | 2004                 | 2003                |
|------------------------------------------|----------------------|---------------------|
| Salaries, wages and employee benefits    | \$ 1,179,202         | \$ 1,079,350        |
| Contracted and general services          | 1,568,361            | 1,051,054           |
| Materials, goods, supplies and utilities | 8,010,830            | 1,298,704           |
| Interest and bank charges                | 77,139               | 80,389              |
|                                          | <u>\$ 10,835,532</u> | <u>\$ 3,509,497</u> |

## 16. Commitments and contingencies:

### (a) Contingent liabilities:

Capital Regional District debt, under provisions of the Local Government Act, is a direct, joint and severally liability of the Capital Regional District and each member municipality with the Capital Regional District, including the District.

### (b) Policing costs:

On November 4, 2002, the District entered into a Municipal Police Unit Agreement with the Ministry of Public Safety and the Solicitor General. Under the terms of this agreement, the Ministry of Community, Aboriginal and Women's Services paid the District a grant to offset policing costs, which are being phased in for the first two years of service. Grant revenue received in April 2002 for the period from April 1, 2002 to March 31, 2004 was \$750,000. Policing costs of \$808,893 were incurred during the year (2003 - \$411,669). After this time, the District will assume full responsibility for policing costs incurred.

Policing services are provided to the District by the Royal Canadian Mounted Police.

Future expenditures for policing will be funded through property taxes.

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

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## 16. Commitments and contingencies (continued):

### (c) Sewer treatment plant:

During the year, the District began construction on the sewer treatment plant. The total project capital cost is estimated at \$22 million with 2/3 funded by federal and provincial governments up to \$11,600,724. At December 31, 2004, expenditures were \$6,599,887 with \$3,593,184 receivable from provincial and federal governments. The District has authorized by bylaw to borrow up to \$8,800,000 from the Municipal Finance Authority of which \$6,114,347 was utilized through interim financing at December 31, 2004. The interim financing has interest payable quarterly at a floating rate which was 2.985% at December 31, 2004 and is anticipated to be converted to long-term debt through the Municipal Finance Authority upon completion of the project.

## 17. Pension liability:

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 130,000 active members and approximately 45,000 retired members. Active members include approximately 29,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2003 indicated an unfounded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfounded liability to individual employers. The District of Sooke paid \$55,769 for employer contributions to the plan in fiscal 2004.

# DISTRICT OF SOOKE

Notes to Financial Statements

Year ended December 31, 2004

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## 18. Change in accounting policies:

Effective January 1, 2004, the District has adopted the recommendations under Section PS 3255 of the CICA Public Sector Accounting Board Handbook for accounting for post-employment benefits. The new standard requires the District to accrue all future obligations relating to employee sick and severance benefits. This change in accounting policy has not been applied retroactively as the effect on prior years is not significant.

During the year, the District adopted a change in the accounting policy for firefighting equipment leased from the Municipal Finance Authority. These leases, formerly treated as operating leases, are now treated as capital leases. This change has been applied retroactively and has increased amounts previously reported for capital assets as at and for the years ended December 31, 2003 and 2002 by \$741,722 and \$360,569, lease obligations \$687,039 and \$341,687, and equity in capital assets by \$54,683 and \$18,882, respectively. This change has also increased the amounts previously reported for expenditures for the year ended December 31, 2003 by \$345,352 and increased the amount reported for expenditures for the year ended December 31, 2004 over the amount that would have been reported under the policy previously in place by the District by \$81,906. The impact of this change on municipal position is as follows:

|                                                                                             | 2004         | 2003         |
|---------------------------------------------------------------------------------------------|--------------|--------------|
| Municipal position, beginning of year:                                                      |              |              |
| As previously reported                                                                      | \$ 9,058,216 | \$ 7,899,336 |
| Adjustment to reflect change in accounting policy for<br>Municipal Finance Authority leases | 54,683       | 18,882       |
| Municipal position, beginning of year, as restated                                          | \$ 9,112,899 | \$ 7,918,218 |

## 19. Comparative figures:

Certain of the comparative figures have been restated to conform with current year's presentation.



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## **AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION**

To the Mayor and Councillors of the District of Sooke

We have audited and reported separately herein on the consolidated financial statements of the District of Sooke as at and for the year ended December 31, 2004 in accordance with Canadian generally accepted auditing standards.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole in accordance with Canadian generally accepted accounting principles. The current year's supplementary information included in Schedules A through D is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font.

Chartered Accountants

Victoria, Canada

April 22, 2005



# DISTRICT OF SOOKE

Statement of Financial Activities and Fund Balance  
General Revenue Fund

Schedule A

Year ended December 31, 2004, with comparative figures for 2003

|                                                                   | Budget<br>2004      | Actual<br>2004      | Actual<br>2003      |
|-------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Revenue:</b>                                                   |                     |                     |                     |
| Net taxes available for municipal purposes                        | \$ 2,477,519        | \$ 2,473,430        | \$ 2,257,777        |
| Net payments in lieu of taxes available for<br>municipal purposes | 17,000              | 17,785              | 17,994              |
| Sales and user fees                                               | 28,750              | 123,214             | 274,646             |
| Government transfers and grants                                   | 396,967             | 398,741             | 651,451             |
| Investment income                                                 | 103,000             | 82,374              | 105,067             |
| Penalties and fines                                               | 80,000              | 76,270              | 81,505              |
| Licenses and permits                                              | 252,200             | 371,209             | 303,496             |
| Lease and rental                                                  | 81,000              | 70,642              | 102,776             |
|                                                                   | <b>3,436,436</b>    | <b>3,613,665</b>    | <b>3,794,712</b>    |
| <b>Expenditure:</b>                                               |                     |                     |                     |
| General government services:                                      |                     |                     |                     |
| Legislative                                                       | 89,294              | 92,315              | 86,480              |
| Administrative                                                    | 710,121             | 740,051             | 675,788             |
|                                                                   | <b>799,415</b>      | <b>832,366</b>      | <b>762,268</b>      |
| Protective services:                                              |                     |                     |                     |
| Policing                                                          | 845,773             | 808,893             | 411,669             |
| Fire protection and emergency response                            | 541,116             | 535,822             | 533,302             |
| Inspection and bylaw services                                     | 148,544             | 171,460             | 141,064             |
|                                                                   | <b>1,535,433</b>    | <b>1,516,175</b>    | <b>1,086,035</b>    |
| Engineering and development:                                      |                     |                     |                     |
| Roads, inspections and development                                | 408,182             | 527,642             | 344,635             |
| Community services:                                               |                     |                     |                     |
| Public health                                                     | 73,565              | 67,460              | 62,663              |
| Recreation and parks                                              | 399,896             | 417,798             | 366,563             |
|                                                                   | <b>473,461</b>      | <b>485,258</b>      | <b>429,226</b>      |
| Development services:                                             |                     |                     |                     |
| Planning                                                          | 264,031             | 237,183             | 191,418             |
| Economic development                                              | 63,803              | 38,183              | 45,256              |
|                                                                   | <b>327,834</b>      | <b>275,366</b>      | <b>236,674</b>      |
| <b>Total expenditure</b>                                          | <b>3,544,325</b>    | <b>3,636,807</b>    | <b>2,858,838</b>    |
| Excess (deficiency) of revenue over expenditure                   | (107,889)           | (23,142)            | 935,874             |
| Debt principal repaid                                             | (46,933)            | (46,933)            | (43,365)            |
| Lease principal repaid                                            | -                   | (57,044)            | (35,801)            |
| Transfer to Capital Fund                                          | (143,500)           | (106,435)           | (192,981)           |
| Transfer from Sewer Capital Fund                                  | -                   | 113,325             | -                   |
| Transfers to Reserves Fund                                        | 300                 | (43,037)            | 4,535               |
| Change in fund balance                                            | (298,022)           | (163,266)           | 668,263             |
| Fund balance, beginning of year                                   | 3,394,366           | 3,394,366           | 2,726,104           |
| <b>Fund balance, end of year</b>                                  | <b>\$ 3,096,344</b> | <b>\$ 3,231,100</b> | <b>\$ 3,394,366</b> |

# DISTRICT OF SOOKE

Statement of Financial Activities and Fund Balance  
Capital Fund

Schedule B

Year ended December 31, 2004, with comparative figures for 2003

|                                        | Budget<br>2004 | Actual<br>2004 | Actual<br>2003 |
|----------------------------------------|----------------|----------------|----------------|
| Revenue:                               |                |                |                |
| Donations                              | \$ 90,500      | \$ 68,567      | \$ -           |
| Expenditure:                           |                |                |                |
| Capital assets:                        |                |                |                |
| General government services:           |                |                |                |
| Administrative                         | 65,000         | 60,585         | 18,158         |
| Protective services:                   |                |                |                |
| Fire protection and emergency response | 20,100         | 158,939        | 396,899        |
| Engineering and public works:          |                |                |                |
| Roads, streets and storm drainage      | 407,500        | 32,158         | 174,823        |
| Community services:                    |                |                |                |
| Recreation and parks                   | 370,397        | 347,156        | 60,779         |
| Total expenditure                      | 862,997        | 598,838        | 650,659        |
| Excess of expenditure over revenue     | (772,497)      | (530,271)      | (650,659)      |
| Debt proceeds                          | 334,000        | -              | -              |
| Lease proceeds                         | -              | 138,950        | 381,153        |
| Transfer from General Revenue Fund     | 143,500        | 106,435        | 192,981        |
| Transfer from Reserves Fund            | 294,997        | 284,886        | 76,525         |
| Change in fund balance                 | -              | -              | -              |
| Fund balance, beginning of year        | -              | -              | -              |
| Fund balance, end of year              | \$ -           | \$ -           | \$ -           |

# DISTRICT OF SOOKE

Statement of Financial Activities and Fund Balance  
Sewer Capital Fund

Schedule C

Year ended December 31, 2004, with comparative figures for 2003

|                                    | Budget<br>2004 | Actual<br>2004 | Actual<br>2003 |
|------------------------------------|----------------|----------------|----------------|
| Revenue:                           |                |                |                |
| Government transfers               | \$ 2,800,000   | \$ 3,593,184   | \$ -           |
| Disposal of assets                 | -              | -              | -              |
| Donations                          | -              | -              | -              |
|                                    | 2,800,000      | 3,593,184      | -              |
| Expenditure:                       |                |                |                |
| Capital assets:                    |                |                |                |
| Engineering and public works       | 6,200,000      | 6,599,887      | -              |
| Excess of expenditure over revenue | -              | (3,006,703)    | -              |
| Debt proceeds                      | -              | 6,114,347      | -              |
| Transfer to General Revenue Fund   | -              | (113,325)      | -              |
| Change in fund balance             | -              | 2,994,319      | -              |
| Fund balance, beginning of year    | -              | -              | -              |
| Fund balance, end of year          | \$ -           | \$ 2,994,319   | \$ -           |

# DISTRICT OF SOOKE

## Statement of Financial Activities and Fund Balance Reserves Fund

Schedule D

Year ended December 31, 2004, with comparative figures for 2003

|                                    | Budget<br>2004 | Actual<br>2004 | Actual<br>2003 |
|------------------------------------|----------------|----------------|----------------|
| Revenue:                           |                |                |                |
| Investment income                  | \$ -           | \$ 8,267       | \$ 9,659       |
| Cash in lieu of parkland           | -              | 11,350         | 51,200         |
| Casino revenue sharing             | 185,000        | 206,619        | 187,230        |
| Sooke Outdoor Arts Program         | -              | 5,048          | 10,718         |
|                                    | 185,000        | 231,284        | 258,807        |
| Transfer from General Revenue Fund | -              | 43,146         | -              |
| Transfer to General Revenue Fund   | (300)          | (109)          | (4,535)        |
| Transfer to Capital Fund           | (294,997)      | (284,886)      | (76,525)       |
| Change in fund balance             | (110,297)      | (10,565)       | 177,747        |
| Fund balance, beginning of year    | 585,745        | 585,745        | 407,998        |
| Fund balance, end of year          | \$ 475,448     | \$ 575,180     | \$ 585,745     |