

District of North Saanich,
British Columbia, Canada

2020 Annual Report

For The Year Ended December 31, 2020



District of North Saanich,
British Columbia, Canada

2020 Annual Report

For The Year Ended December 31, 2020



The Annual Report is produced by the Financial Services department of the District of North Saanich in cooperation with other municipal departments and agencies.

Contents

Introduction

District Vision	4
Message from the Mayor	5
North Saanich Council	6
Community Profile	7
Canadian Award for Financial Reporting	8
Message from the Chief Administrative Officer	9
Organizational Structure	10
2020 Strategic Plan Priorities & Highlights	11
Department Overviews:	
Corporate Services	12
Financial & Information Technology Services	13
Infrastructure Services	14-15
Planning & Community Services	16-17
Emergency & Fire Services	18
Police Services	19-21

Financial Information

Message from the Chief Financial Officer	22
2020 Permissive Property Tax Exemptions	23
Audited Financial Statements:	24
Management's Responsibility for the Financial Statements	25
Independent Auditor's Report	26-28
Statement of Financial Position	29
Statement of Operations	30
Statement of Change in Net Financial Assets	31
Statement of Cash Flows	32
Notes to the Financial Statements	33-53
Supplementary Financial Information: Schedule 1 – COVID-19 Safe Restart Grant (Unaudited)	54

Statistical Information for the years 2016-2020

Demographics	55
Taxation	56
Debt and New Construction	57
Other Financial Statistics for 2016-2020	58-60



District Vision

Vision

Council and staff of the District of North Saanich are guided by vision elements that have emerged from significant community review and discussion and are drawn from the Official Community Plan.

The future will ensure that:

1. Diverse neighbourhoods are respected and supported
2. Rural, marine and agricultural resources are protected, maintained, and enhanced
3. The needs and priorities of our community are supported
4. The arts are supported
5. The community is inclusive, accessible and culturally vibrant
6. Suitable, appropriately located economic activity is supported
7. Efficient levels of service commensurate with appropriate taxation are established
8. Natural environments are protected, and a commitment is made to the preservation and enhancement of regionally significant green and blue spaces
9. North Saanich is a sustainable community that plans for the potential impacts of climate change

Mission

The mission of the District of North Saanich is to provide leadership and good governance that reflect the community vision and protects, promotes and enhances a safe and diverse community for current and future generations.

The Municipal Purposes outlined in the *Community Charter* further detail the purposes of the District of North Saanich:

Section 7. The purposes of a municipality include:

- A. Providing for good government of its community,
- B. Providing for services, laws and other matters for community benefit,
- C. Providing for stewardship of the public assets of its community, and
- D. Fostering the economic, social and environmental well-being of its community.

Reconciliation

Council acknowledges the District of North Saanich exists within the Traditional Territories of Coast Salish peoples and is committed to respectfully and appropriately engaging First Nations communities in matters of common interest.

Message From The Mayor

On behalf of Council, I am pleased to present our 2020 Annual Report. The report provides a comprehensive summary of activity and accomplishments in 2020, and looks ahead to 2021 projects and policy initiatives that align with our Strategic Plan.

The year began like many others but quickly changed in March 2020 with the onset of what became the COVID-19 pandemic. Both the Federal and Provincial governments imposed safety protocols which changed throughout the year in response to daily case counts. These health orders served to moderate the negative health impacts but also introduced significant economic hardship for businesses and residents.

After an initial delay, the District's volunteer commissions, committees and boards started meeting again in June by combining physical separation in Council chambers with online participation. The District was able to continue holding Council meetings in person largely as a result of the size of our renovated chamber.

The 2020 budget process was well underway in March 2020. In concert with other CRD municipalities, Council and staff revised initial projections, reduced the proposed municipal tax increase by 50% to 1.4%, and extended payment deadlines for both residential and business properties.

Despite the impacts of COVID-19, 2020 was another active year and Council was pleased to see substantial progress on a number of major projects and policy initiatives. The Patricia Bay Scoter Trail rehabilitation project came in under budget and is now enjoyed by many North Saanich residents. Completion of bike lanes along West Saanich Road adjacent to the Ardmore neighbourhood from Frizell to McTavish now provides a continuous cycling route from Wain Road to McTavish Road. Many other successful initiatives are detailed further in this report. In response to resident concerns relating to traffic safety along West Saanich Road near Deep Cove Elementary School, the District installed speed reader boards and two signalized cross walk lights. Similar safety improvements are being considered in 2021.

I would also like to acknowledge the tireless efforts of our dedicated and capable employees working in corporate services, emergency services, engineering, financial services, planning and community services, and public works. Residents are also very well served by a great group of well-trained volunteer firefighters. The spring 2020 COVID-19 pandemic put added pressure on District staff. Council is grateful and so impressed by the manner in which staff have responded to the crisis and maintained services levels, while prioritizing the health and safety of all. Outside staff worked alternating shifts, and fifty percent of inside staff worked remotely during the first two months. Modified work arrangements are still in place as we exit 2020.

Please take some time to browse the report and review each department's 2020 achievements and plans for 2021. Council is inspired by our strategic vision, motivated by corporate values and fuelled by a desire to make the municipality of North Saanich a safe, healthy, and prosperous place to live and play.




Geoff Orr, Mayor

North Saanich Council

Mayor & Council

Elected by the citizens of North Saanich, Council is a legislative body that provides leadership to the District's government. Council is made up of the Mayor and six Councillors. The four year term is from November 2018 to October 2022.

North Saanich Council is committed to ensuring that the priorities of local citizens guide the policies it establishes and the decisions it makes on civic matters such as land use and budget levels for operations and capital expenditures.



2018-2022 Council

Mayor:

G. Orr

Councillors:

H. Gartshore
J. McClintock
P. Pearson
B. Smyth
C. Stock
M. Weisenberger



Community Profile

The District of North Saanich is located at the north end of the Saanich Peninsula approximately 25 kilometres north of Victoria, British Columbia on southern Vancouver Island.

North Saanich exists within the Traditional Territories of Coast Salish peoples. Specifically, the Pauquachin First Nation and Tseycum First Nation are an active and vital part of our community, and the District is committed to respectfully and appropriately engaging these nations in matters of common interest.

The District is surrounded on three sides by 40 kilometres of ocean shoreline, is home to the Victoria International Airport, and the Swartz Bay Ferry Terminal.

This area historically emerged from several coastal focal points inward to the interior of the Peninsula. Today, the community-like neighbourhoods which include Ardmore, Deep Cove, Curteis Point, Cloake Hill/Green Park, Dean Park and the South East Quadrant are on the periphery of a rich agricultural interior which is protected by the Provincial Agricultural Land Reserve. Agriculture is very important to the municipality, as evidenced in the number of farms, and road side produce and flower stands.

Please visit us in person, or online at northsaanich.ca.

Canadian Award For Financial Reporting

Canadian Award For Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the District of North Saanich for its annual financial report for the fiscal year ended December 31, 2019. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**District of North Saanich
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2019



Executive Director/CEO

Message From The Chief Administrative Officer

We are pleased to present the 2020 Annual Report for the District of North Saanich. This was a busy and successful year for North Saanich municipal staff. Our response to the COVID-19 pandemic required innovative thinking and the ability to make decisions with many unknowns still outstanding. We are proud of the fact that we found ways to maintain service to the public and that Council meetings continued throughout the pandemic.

Council's 2020 Strategic Plan set out the goals to inform our work and projects. While these accomplishments are important, it must be noted that a majority of staff's time and effort goes into providing day-to-day services to residents. Staff take pride in the high level of service we provide, and appreciate the many residents who take time to say thank you for our work.

Please take note of the achievements in each department's reporting in this Annual Report. Some notable achievements include:

- Completed Scoter Trail Rehabilitation Project
- Constructed 1 km of water main upgrade on Lands End Road and Chalet Road
- Completed design and tender documents for water main renewal in Curteis Point area in 2021
- Commenced development of new Active Transportation Plan
- Commenced Drainage Master Plan
- Developed a long-term Taxation Policy
- Commenced a Building Condition Assessment and Reinvestment Plan for municipal buildings
- Developed a new Bylaw to Establish Reserve Funds
- Implemented new online payment options for residents
- Awarded the GFOA Canadian Award for Excellence in Financial Reporting for 2019
- Developed budget engagement plan for 2021 - a first for North Saanich

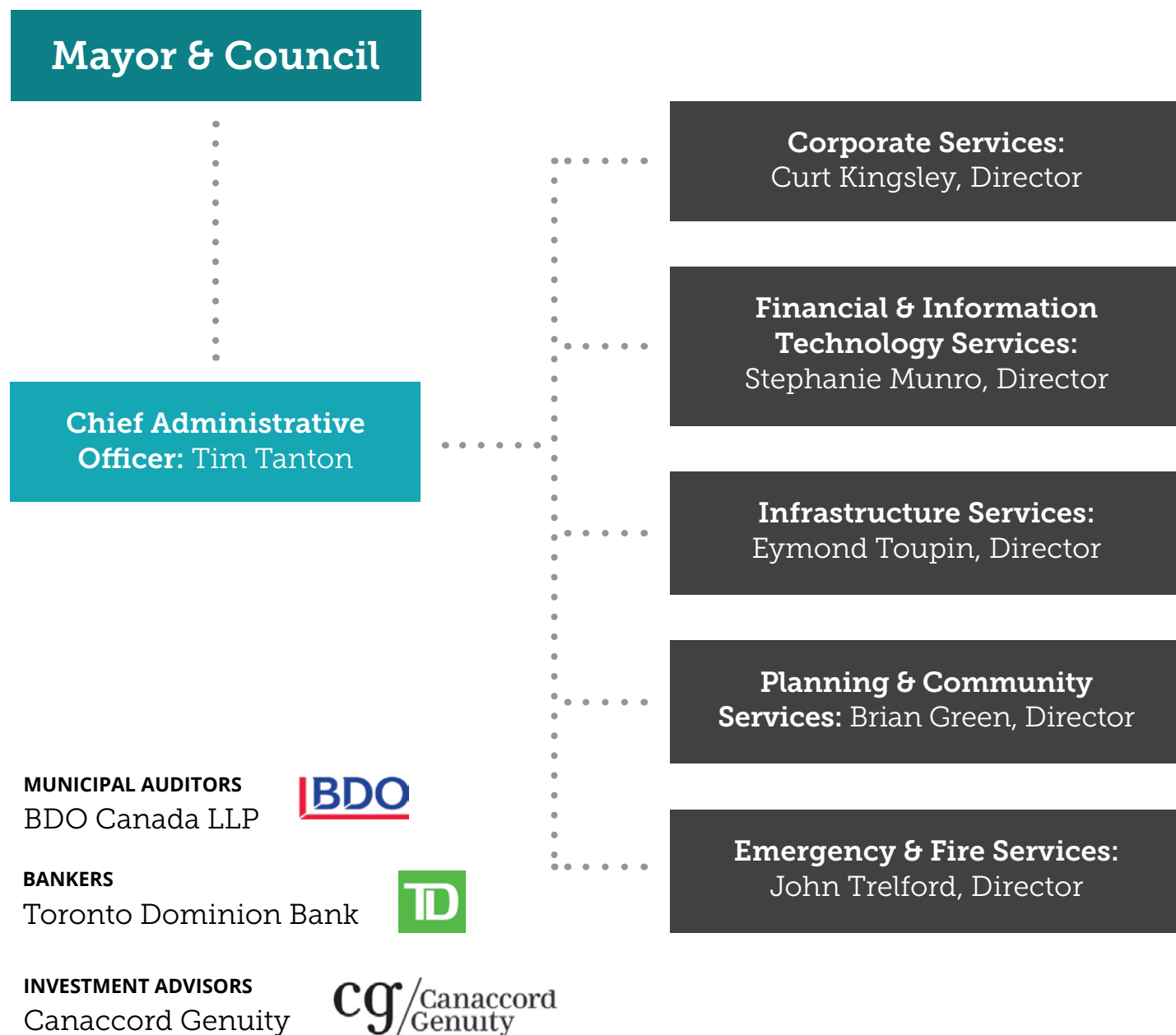
- Implemented WebEX video conferencing and online meeting software
- Commenced review of the District's policy manual
- Completed review of the Council Procedure Bylaw
- Implemented livestreaming of Council meetings
- Launched engagement portal: connectnorthsaanich.ca
- Procured a Marina trailer and related firefighting equipment
- Commenced renovation of McTavish Fire Hall
- Updated Fire Prevention / Outdoor Burning bylaws
- Completed 419 emergency response calls and 825 fire inspections
- Adopted Regional Context Statement to align the District's Official Community Plan with the CRD's Regional Growth Strategy
- Started the Official Community Plan review
- Tree Bylaw Review commenced
- Reported to Council on Climate Change Select Committee Recommendations
- Prepared Housing Needs Report which was received by Council
- Continued expansion of Block Watch program
- Maintained low crime rates, community policing and volunteer programs

We are looking forward to the end of the COVID-19 pandemic, and will continue to address Council's Strategic Plan goals and to provide service our residents appreciate.



Tim Tanton
Chief Administrative Officer

Organizational Structure (As at December 31, 2020)





2020 Strategic Plan Priorities & Highlights

The Strategic Plan sets out Council's focus and strategic priorities for at least three years and beyond. The Strategic Plan sets the context for all the District does and is the basis for Departments' business plans and annual budget submissions. Council reviewed and updated the plan with new strategies to achieve long-term goals in early 2021. The complete Strategic Plan can be found at northsaanich.ca.

Protect & Enhance Rural, Agricultural, Heritage, Marine and Environmental Resources

- Preserve and protect significant and sensitive environmental areas and ecosystems
- Preserve and protect sensitive marine and inter-tidal habitats
- Mitigate climate change impacts
- Enhance parks and trails

Maintain a Safe and Healthy Community

- Protect resident safety and be prepared for emergencies
- Encourage and support an active lifestyle

Encourage Compatible Commercial and Local Business Development

- An operating environment supportive of local business
- A vibrant and sustainable agricultural economy

Maintain a Strong Sense of Community

- A strong sense of pride, identity and belonging in North Saanich
- Engaging the community
- Housing policies that support local and regional demand
- Positive and constructive relations with First Nations

Ensure Strong Leadership, Fiscal Responsibility and Transparent Government

- Efficient and cost effective management of corporate assets and financial services
- Efficient and effective administrative and regulatory processes
- Effective governance and leadership
- Be an employer of choice

Department Overviews: Corporate Services

The Corporate Services Department's primary role is processing all business as it relates to Council, performing all statutory requirements of the Local Government Act and the Community Charter as well as providing a variety of support services to other District Departments.

The Department is responsible for:

- Providing advice with respect to Council procedures, policies, and functions
- Coordinating all local government elections and other voting opportunities
- Administering requests for access to information through the *Freedom of Information and Protection of Privacy Act*
- Coordinating the management and maintenance of all vital records of the municipality
- Executing legal documents on behalf of the District
- Providing administrative support to Council, Committee of the Whole, the Chief Administrative Officer and various advisory bodies
- Managing the District's human resource function
- Administering internal and external corporate communications
- Planning and executing public engagement

2020 Results:

- COVID-19: Created multiple instructions to move staff processes to electronic format
- Established the archiving of the District's website, the Connect North Saanich website, and the District's Facebook and Twitter accounts
- Commenced review of the policy manual
- Completed review of the Council Procedure Bylaw
- Reviewed Council appointments
- Implemented livestreaming of Council meetings
- Transitioned Council meeting agenda management and video services to one provider
- Launched engagement portal: connectnorthsaanich.ca
- Launched public engagement: Outdoor Burning/Green Waste, Active Transportation Plan, Tree Protection Bylaw Review, Official Community Plan

2021 Goals and Major Projects:

- Comprehensive review of District paper and electronic records
- Launch budget engagement
- Develop an Engagement Framework
- Complete municipal branding project
- Enhance communications with First Nations
- Develop Fire Department and outdoor burning communications strategy
- Launch Fire Instagram account
- Develop First Nations relationship strategy

Department Overviews: Financial & Information Technology Services

The Financial and Information Technology Services Department's primary role is to manage the District's finances and computer network systems.

The Department is responsible for:

- Budgeting, accounting, financial planning and reporting
- Collection services including property taxes and utility billing
- Cash and debt management
- Payroll and benefits administration
- Accounts payable
- Risk management
- Overseeing the RCMP contract
- Management and support of the District's computer network
- Management and support of the District's telephone and cellular communication

2020 Results:

- Developed long-term Taxation Policy
- Commencement of a Building Condition Assessment and Reinvestment Plan for all municipal buildings
- Developed a new Bylaw to Establish Reserve Funds
- Implemented new online payment options for residents
- Awarded the GFOA Canadian Award for Excellence in Financial Reporting for 2019

- Developed a budget engagement plan for 2021
- Implemented WebEX video conferencing and online meeting software
- Procurement of two servers
- Completed a Privacy Impact Assessment for offsite backups
- Completed necessary changes required for provincial deferment centralization

2021 Goals and Major Projects:

- Complete Building Condition Assessment and Reinvestment Plan for all municipal buildings
- Develop Reserve Fund Policy
- Update Infrastructure Replacement Gap Analysis
- Review the District's Purchasing Policy
- Review of business software needs for the District
- Develop workflow processes and support materials for procurement process
- Complete desktop computer rollover
- Upgrade of the security system
- Work towards capital asset management and reporting requirements
- Complete necessary changes required for provincial home owner grant centralization

Department Overviews: Infrastructure Services

The Infrastructure Services Department is responsible for the planning, construction, maintenance and records management of the District's infrastructure. This includes issuing permits for any works proposed on District roads or property. This department reviews designs for new subdivisions within the District and manages the design and construction of all new infrastructure projects.

The Department is responsible for:

- Planning and designing the District's infrastructure for roads, water mains, sanitary sewers, drainage and parks
- Processing requests for service, municipal service information, addressing, soil permits, external utility permits and permits for work on municipal property
- Reviewing the engineering servicing of subdivision and building permit applications
- Managing municipal parks, trails, beach access, trees and bike lanes within the District
- Operational and maintenance activities for assets related to roads, drainage, water utility, sewer utility, parks, buildings and fleet
- Customer service requests both internally for different departments and externally for the public and other agencies
- Providing support to many volunteer initiatives and organizations that have relationships with the District including the Friends of Dominion Brook Park, Friends of the Bike Jump Park, Friends of North Saanich Parks, Greater Victoria Green Team, Peninsula Baseball and Peninsula Soccer

2020 Results:

- Completed Scoter Trail Rehabilitation Project
- Constructed 1 km of water main upgrade on Lands End Road and Chalet Road
- Completed design and tender documents for water main renewal in Curteis Point area
- Completed 100 m of sewer main extension on Mills Road
- Completed sidewalk rehabilitation and upgrade in the areas of McDonald Park Road and Forest Park Drive
- Designed and installed water service and fire hydrant for Rotary Park
- Active Transportation Plan — completed draft plan and public engagement (2021 completion)
- Drainage Master Plan — developed hydraulic model (2021 completion)
- KÉLSET Elementary School traffic study development
- Beacon Avenue West traffic study development
- Infrastructure Grants — awarded grant for Drainage Master Plan and applied for grants for Curteis Point Water Main renewal and Parks Master Plan



Department Overviews: Infrastructure Services

2021 Goals and Major Projects:

- Completion of the Active Transportation Plan
- Completion of the Drainage Master Plan
- Installation of water service and fire hydrant for Rotary Park
- Concept development of active transportation facilities on Land's End and McDonald Park Road
- Traffic safety improvements — data collection, crossing upgrades and traffic calming
- Green waste facility upgrades
- Development of terms of reference for the Parks Master Plan
- Water System Master Plan — design for next high priority water main upgrade
- Design, procurement and construction of Lochside Drive sidewalk and bike lane renewal
- McTavish Road Fire Hall parking lot renewal
- Procurement and construction of water main renewal in Curteis Point area
- Design and construction of additional accesses to Scoter Trail
- Completion of Beacon Avenue West traffic safety study
- Completion of KÉLSET Elementary School traffic safety study
- West Saanich and Wain Road traffic safety study
- Procurement and construction of sidewalk improvements at McDonald Park Road

Department Overviews: Planning & Community Services

Planning and Community Services provides advice and essential services related to the regulation and administration of development activity and community growth. This includes policy review and development, processing of all types of development applications, building permits, issuing of business licenses and ensuring bylaw compliance.

The department is also responsible for the provision of services to other departments, including:

- Facilitating inter-departmental meetings regarding development applications which may impact the operations of other departments
- Budget preparation and review in cooperation with the Financial Services Department
- Municipal hall building maintenance
- Providing updates on projects and initiatives for the website

2020 Results:

- Adopted zoning bylaw housekeeping amendments
- Submitted ALR exclusion application to the Agricultural Land Commission, which was approved
- Adopted Regional Context Statement to align the District's Official Community Plan with the CRD's Regional Growth Strategy
- Started the Official Community Plan Review:
 - Submitted a Scope and Proposed Approach report for Council and worked with legal counsel to develop a request for proposal (RFP)
 - Reported to Council on the request for proposal (RFP); the OCP RFP was subsequently issued
 - Reported to Council on the Evaluation of Proposals
 - Reported to Council on the Work Plan, Engagement Strategy and Terms of Reference for an Advisory Working Group

- Reported to Council on the Phase 1 engagement summary, Phase 2 engagement plan, work plan, and key topic discussion papers
- Reported to Council on the Climate Change Select Committee Recommendations
- Tree Bylaw Review commenced, including:
 - A report to Council on the Project Charter and Engagement Plan
 - The completion of Phase 1 engagement
- Reported to Council on possible roles for the District in the Shoal Harbour Migratory Bird Sanctuary Integrated Management Plan (Tsehum Harbour) and initiated joining the CRD's Harbour Service Program initiative for the Saanich Peninsula
- Reported to Council on the introduction and implementation of the CleanBC Municipal Rebate Top Up Program
- Prepared the Housing Needs Report which was received by Council
- Issued the Tree Bylaw Review RFP
- Adopted a new Sign Bylaw
- Adopted amendments to the Municipal Ticket Information Bylaw, and Fees and Charges Amendment Bylaw



Department Overviews: Planning & Community Services

2021 Goals and Major Projects:

- Complete Phase 2 and 3 of the comprehensive review and update of the District's Official Community Plan
- Facilitate a presentation to Council on the details of the CRD Regional Flood Inundation Project
- Review of MOU with Airport Authority and alignment with Airport Land Use plan
- Completion of a review of the District's Tree Protection Bylaw
- Finalize ALR Exclusion application for Panorama Recreation Centre with the ALC through the discharge of ALC conditions attached to the ALC decision
- Review and update the District's Community Amenity Contributions policy
- Review and update development application fees and revise the Development Applications Procedure Bylaw
- Implementation of the Child Care Action Plan Recommendations
- Review and update Development Signs including amending the Development Applications Procedure Bylaw
- Review and update the Bylaw Enforcement Policy
- Assist with the CRD Saanich Peninsula Harbour Initiative
- Review of library service and potential locations

Department Overviews: Emergency & Fire Services

The North Saanich Fire Department is a composite, career/volunteer department consisting of four career employees and 35 volunteers operating out of two fire halls. The department's main priority is to protect lives and property of North Saanich residents and visitors.

The fire department is responsible for providing fire suppression, medical first responder services, auto extrication, rescue, commercial building and oil burning appliance inspections, and fire cause investigations within the District. Other actions include: hazardous materials awareness response, disaster planning, fire prevention and public education. The North Saanich Fire Department jointly operates the Peninsula Emergency Measures Program with the Town of Sidney and the District of Central Saanich.

2020:

Calls:

Duty.....	112
Fire.....	239
Medical.....	66
Rescue.....	2
Total Calls.....	419

Volunteer Hours..... 4,023

Inspections:

Solid Fuel.....	24
Oil Appliance.....	4
Burning Permits Issued 2019-2020 Season.....	465
Commercial Inspections.....	332
Total Inspections.....	825

2020 Results:

- Appointed Deputy Chief / Training Officer
- Procured a Marina trailer and equipment
- Procured forcible entry training prop
- Adapted training delivery during COVID-19
- Commenced renovation of McTavish Fire Hall
- Updated Fire Prevention / Outdoor Burning bylaws

2021 Goals and Major Projects:

- Delivery of new Tender and Engine
- Delivery of forcible entry training prop
- Outfit Marina trailer and equipment
- Complete renovation of McTavish Hall with functional training space
- Commence renovation of upper floor and washrooms at Wain Road Fire Hall
- Replacement of Truck C2
- Upgrade and re-launch of Saanich Peninsula Alert platform
- Recruit class when safe to do so
- Develop a Fire Department Strategic Plan
- Continue providing fire prevention education
- Continue the Community Wildfire Protection Plan
- Move to "Paid on Call" system for firefighters
- Hire career firefighter

Department Overviews: Police Services

Sidney/North Saanich RCMP-GRC

Policing Services:

Policing services are provided to the municipalities of Sidney and North Saanich by the RCMP-GRC through a Federal/Provincial/Municipal contract. A detachment centrally located at 9895 Fourth Street in Sidney provides diverse policing services to the surrounding Northern Saanich Peninsula and First Nation communities as well as the Willis Point region and fifty-two islands and coastal waters extending to the USA boundary. Within the detachment boundaries policing services are also provided to the Victoria International Airport, and the Swartz Bay and Anacortes ferry terminals.

Detachment Resources:

Sidney/North Saanich Detachment is comprised of thirty-two police officers and nine civilian support staff. Uniform officers are divided into four Watches providing a twenty-four hour, seven day a week on-duty response to emergencies and calls for service. Specialized units within the detachment are organized into a four officer Major Crime Unit, two officer Traffic Unit, one Community Policing officer and two First Nations Policing officers. On average the detachment responds to 7,000 calls for service annually, many involving extensive investigation.

A management team is responsible for administration, planning, budget and operations for the detachment. Business hours for inquiries, assistance and service is Monday to Friday from 8:30 a.m. to 4:15 p.m.

Strategic Policing Priorities:

The detachment policing priorities are established through an analysis of crime statistics and consultation with key partners within the community and in alignment with local, provincial and national public safety initiatives. In 2020, annual policing priorities for traffic enforcement, property crime reduction, community engagement and Indigenous policing services were implemented. Specific initiatives for each priority have been developed to focus the delivery of policing services. Impaired driving and speed enforcement is given priority to enhance road safety and supports the prevention of motor vehicle pedestrian and cyclist accidents. Strategies have been engaged towards a reduction in shoplifting from local businesses. Community policing programs which include Block Watch and No Valuables Inside have been emphasized resulting in a reduction of break and enter, theft, and property related crime. During 2020 crime patterns shifted with significant increases in fraud, cause disturbance and bylaw offences being reported. In response, the detachment increased policing presence in public spaces in local parks, the waterfront and business sector to enforce bylaw liquor and controlled substance regulations. An awareness campaign regarding fraud scams will be carried through 2021 to reduce the number of residents falling victim to email, phone and other fraud scam enticements being circulated.

Throughout the year a quarterly policing report provides details on crime trends and statistical comparison over a five year period. The Detachment Commander provides a review of these reports to Mayor and Council with details on how the detachment is managing crime and meeting the objectives of the policing priorities. COVID-19 had a significant impact on police service delivery and the mandate for public safety while maintaining officer safety. Under the leadership of the Detachment Commander officers adjusted to new procedures and shifts in crime trends, officers participated in crime prevention investigation and pro-active policing initiatives while working closely with volunteers and policing partners to reduce crime and harm in the community.

Department Overviews: Police Services

Community Policing and Volunteer Programs:

The detachment is complimented by a number of dedicated volunteers who donate their time helping make Sidney and North Saanich safe and desirable communities to live and work. Volunteer programs which enhance policing services include Victim Services, Restorative Justice, Citizens on Patrol, Speed Watch and the Auxiliary Constable Program. The Community Policing officer and Auxiliary constables are actively involved in delivering crime prevention programs to help prevent community members from becoming victims of theft and fraud crime. During the past year the Community Policing officer, Media Liaison and Auxiliary Constables have assisted in the delivery of programs which enhance safety and the prevention of crime.

The Block Watch program continues to be expanded to include new neighbourhoods in Sidney and North Saanich. The Block Watch coordinator receives information and provides direction on the program. The coordinator forwards safety alerts, tips and recent crime incidents and general location to Block Watch captains who utilize email to distribute the information to neighbouring residents. An awareness campaign referred to as “Slam the Scam” informs and alerts Block Watch members regarding the circulation of new scams.

A new initiative to build a partnership in prevention for theft from vehicle crimes provides “All Valuables Removed” stickers to vehicle owners. Theft from vehicles is a preventable crime and this initiative serves a dual purpose. The stickers remind vehicle owners to remove valuables and this action results in extinguishing a theft opportunity from thieves. The stickers can be obtained at Sidney/North Saanich Detachment, Sidney Driver Services and Save-On Foods.

An enhanced police engagement initiative was implemented by the Detachment to identify multiple locations to be given priority for regular police patrols. These locations were identified as public spaces where a policing presence provides enhanced safety to the community where they enjoy parks, walking trails, recreation and the waterfront.

Each summer both locals and tourists frequent the popular Sidney Street Market on Thursday evenings from June to the end of August. The Community Policing officer assisted by Auxiliary Constables participate in the market where they greet the community offering crime prevention advice and information on safety programs for adults and children. Stop by the RCMP booth to meet our Community Policing officer.

As a new initiative, the detachment has adopted a modern technology bike registration program called Project 529. Using an app, bike owners can self register their bikes in a matter of minutes. Once bike owners have registered their bike they contact the detachment to receive a Project 529 adhesive shield which is affixed to the bike and assists police in returning found and recovered bikes to the owners. When a bike is stolen the Project 529 system sends an alert providing a bike description to others with registered bikes. More information is available through the Sidney/North Saanich Detachment.

Our Community Policing officer participates in a school liaison program with our five local elementary, middle and secondary schools. The program assists in establishing a connection with local youth and provides some greater safety awareness and education. This messaging to youth includes awareness regarding the safe use of social media and practices which prevent becoming victims of fraud or sexual predators. A partnership with local schools provides many opportunities for positive interaction and delivery of messages pertaining to safe driving, pedestrian and cycling safety and important choices regarding substance use.

Department Overviews: Police Services

Crime Rates/Crime Prevention

Both Sidney and North Saanich enjoy a relatively low crime rate in comparison to many other communities in British Columbia. A significant decline in most property crime categories in 2020 is attributed to a shift resulting from COVID-19. While decreases in property crime were experienced fraud, disturbances, mental health and by-law calls for service all increased.

The support of the community adopting crime prevention principles and reporting criminal activity has been instrumental in solving criminal offences quickly and has contributed to safe streets, safe homes and safe community. To continue this trend community members are encouraged to be engaged in protecting themselves and their property from crime, not leaving valuables in vehicles, securing their homes, being informed regarding scams, observing safe driving practices and immediately reporting unlawful or suspicious activity to police.

A Message From The Chief Financial Officer

May 15, 2021



As Chief Financial Officer for the District, I am pleased to present the District of North Saanich's annual financial report for the year ending December 31, 2020. The purpose of the report is to publish the District of North Saanich's financial statements, Auditor's Report and to provide an update on the District.

The financial statements are the responsibility of the District's management. The statements have been prepared in compliance with Section 167 of the Community Charter, and in accordance with generally accepted accounting principles approved by the Public Sector Accounting Board (PSAB). The financial statements have been audited by BDO Canada LLP, who have expressed their opinion that the statements present fairly, in all material aspects, the financial position of the District as at December 31, 2020. The District maintains a system of internal accounting controls designed to safeguard the assets of the District and provide reliable financial information.

The District relies heavily on property taxes, water and sewer charges to fund all of the services it provides. Of the \$27.41 million of revenue reported by the District for 2020, 48% of it came from property taxes and 17% from water and sewer fees and charges. The increase in revenue in 2020 is related to the \$2.711 million COVID-19 Safe Restart Grant received. Revenue was also higher than budgeted due to \$3.148 million worth of contributed assets recognized as contributions from developers during the year. These are non-cash contributions of assets. The District is required to record contributed assets at their fair market value.

The District spends the revenues it collects on a variety of services. Transportation and Protective Services, which includes policing and fire protection, account for 38% of the expenses. Recreation, cultural and parks expenses are services that the District provides directly, or contracts with directly, such as Library services. The Panorama Recreation Centre is funded through the Capital Regional District and its property tax levy.

In 2020 the District continued the practice of closing the infrastructure funding gap as tax funded capital reached \$1.97 million or 16% of municipal tax revenue. The infrastructure funding gap is the gap between what the District has saved for future capital works replacement projects and what will need to be spent to replace existing assets. Capital expenditures are amortized over the life of the assets, and this is the expense seen on the Statement of Operations.

The majority of the debt that the District holds is for sewer infrastructure. The total debt for the District has decreased from \$6.1 million at the end of 2019 to \$5.7 million in 2020 as principal payments are made. Operating results for 2020 exceeded budgeted expectations. The District's net investment in capital assets increased by \$6.7 million, and total accumulated surplus increased by \$8.4 million.

Under the direction and guidance of the District's Council, the District of North Saanich is well positioned to continue delivering quality services to its residents now and in the future. Our department is very proud to have once again received the Canadian Award for Financial Reporting for the 2019 annual report and look forward to the year ahead.

Stephanie Munro CPA, CA
Director of Financial Services

•
•
•


District of North Saanich | 250-656-0781 | admin@northsaanich.ca | 1620 Mills Road, North Saanich, BC V8L 5S9

Financial Information: 2020 Permissive Property Tax Exemptions

In accordance with Section 98 (2)(b) of the Community Charter, we disclose that the following properties were provided permissive property tax exemptions by the District of North Saanich Council in 2020. Permissive tax exemptions are those exemptions granted by bylaw in accordance with Section 224 of the Community Charter.

Property/Organization	Address	Municipal Taxes (\$)
Air Cadets (676 Kittyhawk Sponsoring Committee Society)	1979 De Havilland Way	2,835
BC Aviation Museum	1910 Norseman Road	15,598
Holy Trinity Anglican Church	1319 Mills Road	6,571
Holy Trinity Anglican Church	1325 Mills Road	2,555
Kiwanis Elderly Citizens Village	10585 McDonald Park Road	11,973
Navy League of Canada (Saanich Peninsula Branch)	9565 B Hurricane Road	1,541
Saanich Peninsula Chamber of Commerce	10382 Pat Bay Highway	2,308
Saanich Peninsula Presbyterian Church	9296 East Saanich Road	11,076
Seventh Day Adventist Church	9300 Willingdon Road	13,595
Sidney & North Saanich Memorial Park Society	10640 McDonald Park Road	6,948
Sidney & North Saanich Memorial Park Society	10714 McDonald Park Road	12,691
Sidney Pentecostal Church	10364 McDonald Park Road	7,555
St. John's United Church	10990 West Saanich Road	4,939
Town of Sidney	1665 McTavish Road	9,392
Capital Regional District	1717 McTavish Road	30,415
McTavish Academy of Art	1720 McTavish Road	5,325
BOKECEN XAXE (Sacred) Society	McTavish Road	23,333
Total (\$)		168,650

District of North Saanich

Financial Statements

Year Ended December 31, 2020

Contents

Management's Responsibility for the Financial Statements	25
Independent Auditor's Report	26-28
Statement of Financial Position	29
Statement of Operations	30
Statement of Change in Net Financial Assets	31
Statement of Cash Flows	32
Notes to the Financial Statements	33-53
Supplementary Financial Information: Schedule 1 – COVID-19 Safe Restart Grant (Unaudited)	54



District of North Saanich

December 31, 2020

Management's Responsibility for the Financial Statements

The accompanying financial statements of the District of North Saanich (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants 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 judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

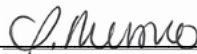
The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

The 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 BDO Canada LLP, independent external auditors appointed by the District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's financial statements.



Chief Administrative Officer



Director of Financial Services



Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
Unit 1100 - Royal Centre
1055 West Georgia Street
Vancouver BC V6E 3P3 Canada

Independent Auditor's Report

To the Mayor and Council of the District of North Saanich

Opinion

We have audited the financial statements of the District of North Saanich ("the District") which comprise the Statement of Financial Position as at December 31, 2020 and the Statements Operations, Changes in Net Financial Assets, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the District'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 District, or to cease operations, or has no realistic alternative but to do so.

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

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

**Auditor's 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 auditor's 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 these 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 District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However future events or conditions may cause the District 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.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
May 3, 2021

District of North Saanich

Statement of Financial Position


December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash	\$ 17,213,216	\$ 14,030,327
Portfolio investments (note 2)	25,434,788	24,870,201
Accounts receivable		
Taxes	871,678	581,606
Other (note 3)	2,392,550	1,713,250
Debt reserve deposits (note 4)	133,112	130,428
	\$ 46,045,344	\$ 41,325,812
Liabilities		
Accounts payable and accrued liabilities (note 5)	7,371,229	4,490,989
Prepaid property taxes	731,706	646,743
Deferred revenue (note 6)	2,282,135	2,391,967
Deposits	1,131,707	1,368,088
Employee future benefit liability (note 7)	475,900	438,300
Debt (note 8)	5,736,594	6,139,608
	\$ 17,729,271	\$ 15,475,695
Net financial assets	\$ 28,316,073	\$ 25,850,117
Non-financial assets		
Tangible capital assets (note 9)	86,180,024	79,877,404
Inventory of supplies	160,231	135,648
Prepaid expenses	189,363	543,006
	\$ 86,529,618	\$ 80,556,058
Accumulated surplus (note 10)	\$114,845,691	\$106,406,175

Contingencies and commitments (notes 4 and 11)



Director of Financial Services



Mayor

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

District of North Saanich

Statement of Operations

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

	Budget (note 15)	2020	2019
Revenues: (note 14)			
Taxes available for municipal purposes (note 12)	\$ 13,346,550	\$ 13,039,686	\$ 12,682,705
Sale of services			
General	987,600	1,164,794	1,034,066
Water utility fees and charges	3,363,100	3,364,806	3,230,900
Sewer utility fees and charges	1,323,600	1,272,935	1,295,491
Income from portfolio investments	440,000	807,471	833,917
Contributed assets (note 9)	-	3,147,713	5,658,386
Government transfers (note 13)	1,241,500	4,306,114	1,700,963
Other revenue	268,700	311,290	482,021
	\$ 20,971,050	\$ 27,414,809	\$ 26,918,449
Expenses: (note 14)			
General government	4,399,440	3,697,329	3,383,511
Protective services	4,042,315	3,474,583	3,437,209
Solid waste management and environment	112,900	100,005	69,825
Planning and community	1,639,494	1,152,037	1,003,792
Transportation	4,721,899	3,734,228	3,367,566
Parks, recreation and culture	2,131,821	1,784,379	1,583,816
Water utility	3,599,879	3,241,744	3,132,236
Sewer utility	1,867,702	1,790,988	1,681,232
	\$ 22,515,450	\$ 18,975,293	\$ 17,659,187
Annual surplus (deficit)	(1,544,400)	8,439,516	9,259,262
Accumulated surplus, beginning of year	106,406,175	106,406,175	97,146,913
Accumulated surplus, end of year	\$104,861,775	\$114,845,691	\$106,406,175

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

District of North Saanich

Statement of Change in Net Financial Assets

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

	Budget (note 15)	2020	2019
Annual surplus (deficit)	\$ (1,544,400)	\$ 8,439,516	\$ 9,259,262
Acquisition of tangible capital assets	(9,911,600)	(6,096,956)	(2,164,564)
Amortization of tangible capital assets	3,520,000	2,935,746	2,825,316
Loss on disposal of capital assets	-	6,301	168,971
Contributed capital assets	-	(3,147,713)	(5,658,386)
	(7,936,000)	2,136,894	4,430,599
Acquisition of inventory of supplies	-	(125,259)	(98,222)
Consumption of inventory of supplies	-	100,676	121,841
Acquisition of prepaid expenses	-	(187,782)	(538,190)
Use of prepaid expenses	-	541,427	148,040
Change in net financial assets	(7,936,000)	2,465,956	4,064,068
Net financial assets, beginning of year	25,850,117	25,850,117	21,786,049
Net financial assets, end of year	\$ 17,914,117	\$ 28,316,073	\$ 25,850,117

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

District of North Saanich

Statement of Cash Flows

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

	2020	2019
Cash provided by (used in):		
Operating transactions:		
Annual surplus	\$ 8,439,516	\$ 9,259,262
Items not involving cash:		
Contributed tangible capital assets	(3,147,713)	(5,658,386)
Loss on disposal of capital assets	6,301	168,971
Amortization of tangible capital assets	2,935,746	2,825,316
Actuarial sinking fund earnings	(133,670)	(118,049)
	8,100,180	6,477,114
Change in non-cash operating assets and liabilities		
(Increase) decrease in accounts receivable - taxes	(290,071)	284,348
(Increase) decrease in accounts receivable - other	(679,300)	549,492
(Increase) in debt reserve deposits	(2,684)	(2,969)
Decrease (increase) in prepaid expenses	353,643	(390,150)
Increase in accounts payable and accrued liabilities	2,880,240	785,079
Increase in prepaid property taxes	84,963	36,695
(Decrease) in deferred revenue	(109,832)	(239,867)
Increase in employee future benefit obligations	37,600	23,600
(Increase) decrease in materials and supplies	(24,583)	23,619
(Increase) decrease in deposits	(236,381)	302,344
	10,113,775	7,849,305
Capital transactions:		
Acquisition of tangible capital assets	(6,096,956)	(2,164,564)
Financing transactions:		
Repayment of debt	(269,343)	(269,343)
Investing transactions:		
Change in portfolio investments	(564,587)	(3,071,151)
Increase in cash and cash equivalents	3,182,889	2,344,247
Cash and cash equivalents, beginning of year	14,030,327	11,686,080
Cash and cash equivalents, end of year	\$ 17,213,216	\$ 14,030,327

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

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

The District of North Saanich (the "District") is a municipality in the Province of British Columbia that was created on August 19, 1965 pursuant to the Local Government Act of British Columbia and Community Charter of British Columbia. The District provides municipal services such as police, fire, public works, planning, parks and recreation, library, and general government operations.

1. Significant accounting policies

The financial statements of the District are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada. Significant accounting policies adopted by the District are as follows:

(a) Basis of presentation

The financial statements reflect the assets, liabilities, revenues and expenses of the District and the relevant portion of any cost sharing arrangements.

The District participates in the cost sharing agreements with the Town of Sidney for RCMP police services, Library building maintenance and capital improvements, and the operations of the Shoal Senior Centre. Only the District's portion of these costs are recorded in the financial statements. Refer to Note 11 for additional details.

Interdepartmental and inter-fund transactions have been eliminated. The District does not administer any trust activities on behalf of external parties.

(b) Basis of accounting

The District follows the accrual method of accounting for revenues and expenses. Revenues are 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 a legal obligation to pay.

(c) Government transfers

Government transfers are recognized in the financial statements 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, except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability. Transfers received for which expenses are not yet incurred are included in deferred revenue and will be recognized over the period the liability is settled.

(d) Deferred revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

1. Significant accounting policies continued

(e) Taxation revenue

Taxation revenue is recorded at estimated amounts when it has been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized, when they meet the definition of an asset, net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Through the British Columbia Assessments' appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded or can be reasonably estimated.

(f) Portfolio investments

All investments are recorded on an amortized cost basis. Investment premiums and discounts are amortized over the term of the respective investment, using the effective interest method. Investments are written down when there is, in the opinion of management, a permanent decline in value.

(g) Investment income

Investment income is reported as revenue in the period earned except when restricted in use by the funding government or related legal statute. In that event, the investment income earned is added to the deferred revenue balance.

(h) Debt

Debt is recorded net of principal repayments and actuarial earnings.

(i) Employee future benefits

The District and its employees make contributions to the Municipal Pension Plan and the Greater Victoria Labour Relations Association (GVLRA) Long-Term Disability Trust. As these are multi-employer plans, contributions are expensed as incurred.

Sick, personal, emergency, and family leave benefits 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. Long-term disability income benefits are disclosed according to the Greater Victoria Labour Relations Associations' policy.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

1. Significant accounting policies continued

(j) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the District is directly responsible or accepts responsibility;
- (iv) it is expected that the future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of remediation and post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

(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.

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

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

1. Significant accounting policies continued

(k) Non-financial assets continued

(i) Tangible capital assets continued

Estimated useful life for tangible capital assets is as follows:

Asset	Useful life range in years
Buildings	25 to 50
Land improvements	10 to 40
Vehicles, machinery, and equipment	5 to 25
Engineering Structures:	
Roads	10 to 75
Drainage	25 to 80
Water	20 to 80
Sewer	20 to 80
Other	10 to 80

Land has an infinite life and is not amortized. Work in progress is not amortized until the project is substantially completed and put into 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 is less than the book value of the asset.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions, including tangible capital assets in lieu of developer cost charges, are recorded as revenue at their estimated fair value at the date of receipt.

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) 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.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

1. Significant accounting policies continued

(k) Non-financial assets continued

(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.

(vi) Inventory of supplies

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

(l) Deposits

Receipts restricted by third parties for future services or repayment are deferred as deposits and are refundable under certain circumstances. Deposits are recognized as revenue when qualifying expenditures are incurred.

(m) Allocation of expenses

Salary, wages and employee benefit expenses include the costs for District employees. The cost of certain finance personnel are allocated to the water and sewer utility segments based on an estimate of time spent on those segments.

(n) 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating useful lives of tangible capital assets, the fair value of contributed assets, the allocation of expenses, provisions for accrued liabilities, underlying assumptions for employee future benefits, assessment of contaminated sites and provision for contingencies. Actual results could differ from these estimates.

2. Portfolio investments

The District's portfolio of investments consist of term deposits in credit unions. Term deposits in credit unions have varying maturity dates from January 2021 to November 2022 and have rates of return ranging from 0.80% to 3.30% (2019: 2.30% to 3.30%).

	2020	2019
Term Deposits	\$ 25,434,788	\$ 24,870,201

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

3. Other accounts receivable

Other accounts receivable consists of the following:

	2020	2019
Utility fees and charges	\$ 1,230,171	\$ 1,060,953
BikeBC grant receivable	615,916	-
Other grants receivable	-	47,857
Protective services grants receivable	24,255	74,613
GST rebate	397,921	253,121
Trade accounts receivable	60,026	53,244
Receivable from library / other municipalities	19,779	57,853
Insurance proceeds	-	136,759
Deferred property taxes due from the Province of BC	8,120	14,613
Miscellaneous	36,362	14,237
	\$ 2,392,550	\$ 1,713,250

4. Municipal Finance Authority debt reserve fund and debt reserve deposits

As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA to act as security against the possibility of debt repayments default. If the debt is returned without default, the deposits are refunded to the District. At December 31, 2020, deposits of \$133,112 (2019 - \$130,428) are recorded as debt reserve deposits.

Under borrowing arrangements with the Municipal Finance Authority ("MFA"), the District is required to lodge security by means of contingent demand notes and interest bearing cash deposits based on the amount of borrowing. As debt principal is retired, demand notes are released and the cash deposits are refunded.

At December 31, 2020 there were contingent demand notes of \$255,076 (2019 - \$255,076) which are not included in the financial statements of the District.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	2020	2019
Trade accounts payable	\$ 1,330,572	\$ 1,390,613
Accrued liabilities	586,503	778,968
Grants in lieu payable to other government organizations	649,340	934,896
Accrued payroll liability	333,882	237,046
Contaminated sites liability (a)	100,000	100,000
School tax levy payable to the Province of BC	4,307,310	962,961
PEMO amounts held (b)	63,622	86,505
	\$ 7,371,229	\$ 4,490,989

(a) A liability for contaminated sites has been recorded in the amount of \$100,000 (2019 - \$100,000). The existence of metals above the BC Contaminated Sites standards has been identified in the soil at Bazan Bay Park. The source of the contamination is a decommissioned sewage treatment plant clarifier tank on the property.

(b) Peninsula Emergency Measures Organization (PEMO) provides qualified volunteer support during times of emergency or major disaster. It is supported by the District of Central Saanich, the Town of Sidney, and the District of North Saanich.

6. Deferred revenue

	2019	Contributions received	Recognized as revenue	2020
Amenity Fee Contributions	\$ 1,546,527	\$ -	\$ -	\$ 1,546,527
Prepaid Building Permits	172,564	248,064	(172,564)	248,064
Prepaid Utility Billings	10,511	12,924	(10,511)	12,924
Sewer Parcel Tax	6,047	-	(6,047)	-
Sewer Upgrade Contributions	155,903	-	-	155,903
Specified Area Charges	482,905	-	(184,264)	298,641
Other	17,510	10,600	(8,034)	20,076
	\$ 2,391,967	\$ 271,588	\$ (381,420)	\$ 2,282,135

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

7. Employee future benefit liability

The District provides sick leave, retirement benefits, and personal, emergency, and family leave (PEFL) to its employees in addition to contributions to the Municipal Pension Plan and the GVLRA. These amounts and other employee-related liabilities will require funding in future periods and are set out below:

	2020	2019
Accumulated sick leave	\$ 285,524	\$ 240,204
Retirement benefit payment	190,376	198,096
	\$ 475,900	\$ 438,300

Information about the District's benefit plan for sick leave, retirement benefits and PEFL is as follows:

	2020	2019
Accrued benefit obligation - opening:		
Balance, beginning of year	\$ 486,100	\$ 451,600
Current service cost	52,200	47,500
Interest cost	13,900	15,600
Benefits paid	(38,500)	(49,200)
Actuarial loss	90,500	20,600
Accrued benefit obligation - closing	604,200	486,100
Unamortized net actuarial loss	(128,300)	(47,800)
Accrued employee future benefit liability	\$ 475,900	\$ 438,300

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

	2020	2019
Discount rates	2.20 %	2.70 %
Expected inflation rate	2.50 %	2.50 %

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

7. Employee future benefit liability continued

The expected average remaining service life is 12 years (2019 - 10 years). The expected wage and salary increases (including 2.50% inflation estimate) are 2.58% - 4.50% (2019 - 2.58% - 4.50%). The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$76,100 (2019 - \$72,800).

Accumulated sick leave

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

Retirement benefit payments

Retirement benefit payments represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments and death benefits.

The amount recorded for these benefits is based on a benefit actuarial valuation. It is recorded in combination with sick, personal, emergency and family leave valuations. The most recent valuation was as at December 31, 2020. The actuarial valuation and assumptions upon which it is based are reviewed on a periodic basis.

Municipal pension plan

The District and its employees contribute to the Municipal Pension Plan (plan), a jointly trustees pension plan. The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan had about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

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

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

The District paid \$464,041 for employer contributions to the plan in fiscal 2020 (2019 - \$431,488) and District employees paid \$401,995 (2019 - \$375,032).

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

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

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

7. Employee future benefit liability continued

GVLRA/CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. Employers and employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2017 with an extrapolation prepared by the actuary as at December 31, 2019. At December 31, 2019, the total plan provision for approved claims was \$17,748,900 (2018 - \$16,827,700) and the provision for unreported claims was \$1,332,400 (2018 - \$1,332,400) with an accumulated surplus of \$4,244,806 (2018 - \$3,016,917). The total plan provision for approved and unreported claims and net surplus or deficit at December 31, 2020 is being fully actuarially valued and will be available later in 2021. The District paid \$52,395 (2019 - \$50,267) for employer contributions and District employees paid \$52,395 (2019 - \$50,267) for employee contributions to the plan in 2020.

8. Debt

	Interest rate	Year of maturity	Gross Debt	Repayments and actuarial earnings	2020	2019
MFA Issue #102	2.25%	2032	\$ 7,722,907	\$ (3,093,455)	\$ 4,629,452	\$ 4,927,353
MFA Issue #127	3.30%	2029	1,680,000	(572,858)	1,107,142	1,212,255
			\$ 9,402,907	\$ (3,666,313)	\$ 5,736,594	\$ 6,139,608

The District issues debt instruments through the MFA, pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenditures. MFA invests the District's principal payments so that the payments plus the investment income earned on repayments (actuarial earnings), will equal the original outstanding debt amount at the end of the repayment period.

The loan agreements with 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.

Interest expense on long-term debt for 2020 was \$229,205 (2019 - \$229,205).

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

8. Debt continued

The aggregate amount of payments required on the District's debt during each of the next five years and thereafter is as follows:

	2020
2021	\$ 269,343
2022	269,343
2023	269,343
2024	269,343
2025	269,343
Thereafter	1,633,700
Future actuarial interest	2,756,179
	\$ 5,736,594

9. Tangible capital assets

There are no significant art nor historic treasures owned and held by the District. No tangible capital assets were written down in 2020 or 2019.

In 2020 \$3,147,713 of asset contributions were received related to various developments within the District. The estimated fair market value of these assets is shown as revenue as well as tangible capital asset additions. This was comprised of land - \$1,724,188; land improvements - \$10,000; roads - \$694,725; drainage - \$409,740; water - \$172,300; and sewer - \$136,760. In 2019 contributed assets worth \$5,658,386 were received.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

9. Tangible capital assets continued

2020	Engineering Structures										Total	Total	2019
	Land	Land Improvement	Buildings	Vehicles, Machinery & Equipment	Roads	Drainage	Water	Sewer	Other	Work in Progress			
Cost													
Opening balance	\$ 20,467,708	\$ 2,971,964	\$ 8,425,326	\$ 8,619,931	\$ 37,350,488	\$ 7,133,808	\$ 12,883,718	\$ 27,990,403	\$ 65,381	\$ 672,267	\$126,580,994	\$119,003,794	
Add: Additions	1,724,188	852,280	134,516	428,502	2,622,567	444,164	1,387,407	280,613	-	1,370,432	9,244,669	7,822,950	
Less: Disposals	-	-	-	(6,364)	-	-	(22,979)	-	-	-	(29,343)	(245,748)	
Completed work in progress	-	22,111	-	-	467,491	-	45,145	137,520	-	(672,267)	-	-	
Closing balance	22,191,896	3,846,355	8,559,842	9,042,069	40,440,546	7,577,972	14,293,291	28,408,536	65,381	1,370,432	135,796,320	126,580,996	
Accumulated Amortization													
Opening balance	-	913,944	2,529,811	5,588,757	22,547,593	1,785,938	5,597,836	7,694,653	45,061	-	46,703,593	43,955,053	
Add: Additions	-	105,275	208,058	598,280	1,151,169	133,295	185,258	553,182	1,229	-	2,935,746	2,825,316	
Less: Disposals	-	-	-	(6,364)	-	-	(16,678)	-	-	-	(23,042)	(76,777)	
Closing balance	-	1,019,219	2,737,869	6,180,673	23,698,762	1,919,233	5,766,416	8,247,835	46,290	-	49,616,297	46,703,592	
Net book value	\$ 22,191,896	\$ 2,827,136	\$ 5,821,973	\$ 2,861,396	\$ 16,741,784	\$ 5,658,739	\$ 8,526,875	\$ 20,160,701	\$ 19,091	\$ 1,370,432	\$ 86,180,024	\$ 79,877,404	

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

10. Accumulated surplus

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

	2020	2019
Surplus		
Invested in tangible capital assets	\$ 80,443,429	\$ 73,737,796
Unallocated surplus	12,619,716	12,165,211
Total surplus	93,063,145	85,903,007
Reserves set aside by Council		
Working funds	12,916,656	10,018,092
Federal Gas Tax Agreement funds	2,163,261	3,295,593
	15,079,917	13,313,685
Reserve funds set aside for specific purposes by Council		
Replacement reserves	2,262,358	2,685,117
Growth and opportunity reserves	1,527,379	1,727,254
Local improvement reserve	946,133	1,033,323
Parks capital and acquisition reserves	1,966,759	1,743,789
Total reserve funds	6,702,629	7,189,483
	\$114,845,691	\$106,406,175

On January 11, 2021 Council adopted *North Saanich Reserve Funds Establishment Bylaw No. 1512, 2020*. This bylaw updated the District's reserve structure. Within the new structure the reserves set aside by Council of \$15,079,917 and the reserve funds set aside for specific purposes by Council of \$6,702,629 would be in the following new categories: capital reserves – \$11,293,905 and operating and opportunity reserves – \$10,488,641 for a total of \$21,782,546 in statutory reserves.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

11. Contingencies and commitments

(a) Agreements and contracts

The District has entered into various agreements and contracts for services and construction with periods ranging from one to five years.

(b) RCMP

The District has entered into a five-year renewable agreement with the Town of Sidney, effective January 1, 2018, for the use of the RCMP facilities located in the Town of Sidney. This agreement requires that the District reimburse the Town of Sidney for a share of facility, equipment and staffing costs, based upon the ratio of staff assigned to the District and the total number of staff assigned to the detachment under the Policy Agreement. The estimated cost for 2021 is \$424,366.

(c) Insurance

The District is a defendant in various lawsuits and historical circumstances may result in additional legal claims. The District records an accrual in respect of legal claims where there is likely to be a settlement and for which a liability amount is reasonably determinable.

The District is self-insured through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability 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. No provision has been recorded as there is no expected risk at this time.

(d) CREST

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

(e) Regional District debt

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

(f) Sandown operating lease

In 2020 the District entered into a lease agreement with Circular Farm and Food Society: Vancouver Island to operate the Sandown lands. Within this lease agreement the District agreed to provide funding during the first three years of operation (2020 - 2022). The estimated cost for 2021 is \$125,000.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

12. Taxes available for municipal purposes

	Budget	2020	2019
Taxes collected for general municipal purposes:			
Property and business taxes	\$ 11,261,850	\$ 10,895,092	\$ 10,577,094
Grants in lieu of taxes	1,251,800	1,308,186	1,276,854
Water and sewer system parcel taxes	832,900	836,408	828,757
Total	13,346,550	13,039,686	12,682,705
Taxes collected on behalf of and paid to other governments:			
School Authorities	-	7,242,390	8,945,876
Regional Hospital District	-	1,234,323	1,353,167
Municipal Finance Authority	-	1,304	1,284
British Columbia Assessment Authority	-	272,250	256,826
BC Transit Authority	-	1,416,647	1,367,711
Regional District	-	2,983,326	2,985,602
Total	-	13,150,240	14,910,466
Gross taxes collected	\$ -	\$ 26,189,926	\$ 27,593,171

13. Government transfers

The following government transfers have been included in revenues:

	Budget	2020	2019
Transfers			
Provincial (a)	\$ 710,900	\$ 3,777,271	\$ 590,008
Federal	530,600	528,843	1,110,905
Regional and other	-	-	50
	\$ 1,241,500	\$ 4,306,114	\$ 1,700,963

(a) Included in the provincial government transfers amount is the COVID-19 Safe Restart Grant received of \$2,711,000, see Schedule 1 to the financial statements for further information.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

14. Segmented information

The District is a diversified government organization that provides a wide range of services to its citizens as follows:

Protective Services - RCMP, Fire Department and Animal Control

The mandates of the RCMP and Fire Departments are to enforce laws, prevent crime and maintain peace, order and security by protecting life, property and the environment through the provision of emergency response thus, ensuring safe homes and community. The District cost shares with the Town of Sidney to provide policing services through the Royal Canadian Mounted Police (RCMP). District animal control services are provided under contract by the Capital Regional District.

Parks, Recreation and Cultural Services

The Parks division of the Infrastructure Services Department is responsible for providing and facilitating high quality parks and recreational facilities. The District cost shares with the Town of Sidney to provide access to recreation and cultural services through the Mary Winspear Centre and Shoal Centre located nearby in the Town of Sidney. The District is a member of the Vancouver Island Regional Library which provides access to information through the library facility located in the Town of Sidney.

General Government Services - Legislative; Corporate Services; Financial and Information Technology Services

The functions within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing District assets; ensuring effective financial and human resource management; monitoring performance and ensuring that high quality District service standards are met.

Transportation Services - Engineering and Public Works; Roads; Drainage

The Infrastructure Services Department is responsible for the delivery of municipal transportation and storm drainage systems and services and for approving subdivision plans.

Solid Waste Management and Environmental Services

The management of garbage pickup on municipal public property is the responsibility of the Infrastructure Services Department. Council, through the establishment of Commission and Committees of the District, are provided with feedback and advice to assist in providing policy direction to protect and enhance rural, agricultural, heritage and environmental characteristics.

Planning and Community Services

The Planning and Community Services Department is responsible for preparing land use plans, bylaws and policies for sustainable development of the District; and conducting building inspections and bylaw enforcement.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

14. Segmented information continued

Water Utility - Infrastructure Services, Utilities

The Utilities Division of the Infrastructure Services Department installs and maintains the water mains and pump stations and oversees the distribution of water purchased from the Capital Regional District.

Sewer Utility - Infrastructure Services, Utilities

The Utilities Division of the Infrastructure Services Department installs and maintains the sewer mains and pump stations of the District.

Statement of Segmented Information

The following statement provides additional information for the foregoing functions. 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 North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

December 31, 2020	General Government	Protective Services	Solid Waste Management & Environment	Planning and Community	Parks, Recreation and Cultural	Water Utility	Sewer Utility	2020
Revenues								
Taxes available for municipal purposes	\$ 12,203,278	\$ -	\$ -	\$ -	\$ -	\$ 477,200	\$ 359,208	\$ 13,039,686
Sale of services	131,890	108,362	37,660	735,009	117,197	3,364,806	1,272,935	5,802,535
Income from portfolio investments	781,674	-	-	-	-	4,397	21,400	807,471
Contributed assets	2,838,653	-	-	-	-	172,300	136,760	3,147,713
Government transfers	4,246,114	-	-	-	-	-	60,000	4,306,114
Other revenue	166,899	-	-	-	-	(4,611)	149,002	311,290
	20,368,508	108,362	37,660	735,009	117,197	4,014,092	1,999,305	27,414,809
Expenses								
Salaries, wages and employee benefits	2,109,173	655,450	48,860	982,218	1,549,230	501,161	246,959	6,464,823
Contracted services	1,142,483	2,353,591	49,480	152,989	556,533	39,141	612,474	6,133,291
Supplies and materials	122,798	150,657	1,665	8,517	181,657	2,478,957	177,185	3,202,791
Interest and bank charges	9,437	55,440	-	-	-	-	173,765	238,642
Amortization	313,438	259,445	-	8,313	1,446,808	222,485	580,605	2,935,746
	3,697,329	3,474,583	100,005	1,152,037	3,734,228	3,241,744	1,790,988	18,975,293
Annual surplus (deficit)	\$ 16,671,179	\$ (3,366,221)	\$ (62,345)	\$ (417,028)	\$ (3,617,031)	\$ 772,348	\$ 208,317	\$ 8,439,516

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

December 31, 2019	General Government	Protective Services	Solid Waste Management & Environment	Planning and Community	Parks, Recreation and Cultural	Water Utility	Sewer Utility	2019
Revenues								
Taxes available for municipal purposes	\$ 11,853,947	\$ -	\$ -	\$ -	\$ -	\$ 469,550	\$ 359,208	\$ 12,682,705
Sale of services	117,450	99,585	53,858	590,776	150,941	3,230,900	1,295,491	5,560,457
Income from portfolio investments	800,814	-	-	-	-	4,483	28,620	833,917
Contributed assets	4,872,001	-	-	-	-	388,550	397,835	5,658,386
Government transfers	1,700,963	-	-	-	-	-	-	1,700,963
Other revenue	241,045	-	-	-	-	(10,071)	251,047	482,021
	19,586,220	99,585	53,858	590,776	150,941	4,083,412	2,332,201	26,918,449
Expenses								
Salaries, wages and employee benefits	1,869,434	680,943	34,018	929,002	1,418,882	489,664	237,915	5,923,556
Contracted services	1,062,459	2,324,127	32,702	66,038	432,951	77,376	577,063	5,747,831
Supplies and materials	131,258	141,975	3,105	3,101	132,112	2,356,835	114,102	2,922,583
Interest and bank charges	10,696	55,440	-	-	-	-	173,765	239,901
Amortization	309,664	234,724	-	5,651	1,383,621	208,361	578,387	2,825,316
	3,383,511	3,437,209	69,825	1,003,792	3,367,566	3,132,236	1,681,232	17,659,187
Annual surplus (deficit)	\$ 16,202,709	\$ (3,337,624)	\$ (15,967)	\$ (413,016)	\$ (3,216,625)	\$ 951,176	\$ 650,969	\$ 9,259,262

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

15. Budget data

The budget data presented in these financial statements is based upon the 2020 budget in Financial Plan Bylaw #1494, Schedule A passed by Council on May 11, 2020.

	2020
Revenues	
Taxes available for municipal purposes	\$ 13,346,550
Water utility fees and charges	3,363,100
Sewer utility fees and charges	1,323,600
General sale of services	987,600
Income from portfolio investments	440,000
Government transfers	1,241,500
Other revenue	268,700
Total revenue	20,971,050
Expenses	
Interest and bank charges	229,300
Amortization	3,520,000
General operating fund	14,402,150
Water operating fund	3,318,400
Sewer operating fund	1,045,600
	22,515,450
Annual deficit before transfers	(1,544,400)
ALLOCATIONS	
Add	
Amortization expense	3,520,000
Transfers to reserve funds	8,205,300
Total additions	11,725,300
Deduct	
Principal payments on debt	269,300
Capital expenditures	9,911,600
Total deductions	10,180,900
Financial Plan balance	\$ -

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2020

16. Uncertainty due to COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization. The District's offices were closed to the public as a result, although essential services continued to be provided, with the offices re-opening in a limited capacity during the year. As the impacts of COVID-19 continue, there could be further effects on the District, its citizens, employees, suppliers and other third party business associates. The District has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

17. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

District of North Saanich

Supplementary Financial Information

Year ended December 31, 2020

UNAUDITED

SCHEDULE 1: COVID-19 SAFE RESTART GRANT

The District of North Saanich received a COVID-19 Safe Restart Grant for Local Governments in November, 2020. Please see the schedule below for a summary of the eligible costs incurred in 2020.

COVID-19 Safe Restart Grant received	\$ 2,711,000
--------------------------------------	---------------------

Eligible costs incurred:

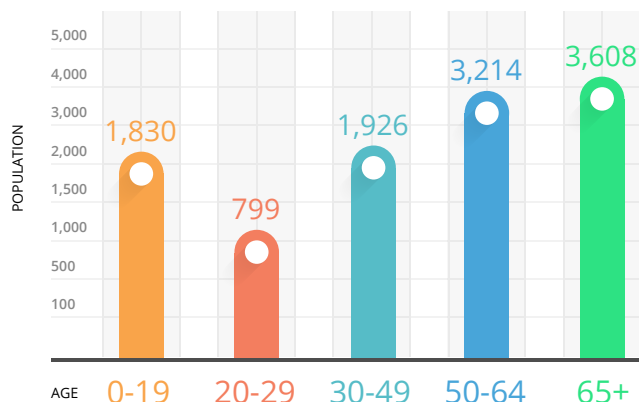
Revenue shortfalls	(77,500)
General government	(77,300)
Protective services	(45,600)
Transportation	(11,700)
Parks, recreation and culture	(12,400)
Water utility	(700)
Sewer utility	(2,000)

Total eligible costs:	(227,200)
-----------------------	------------------

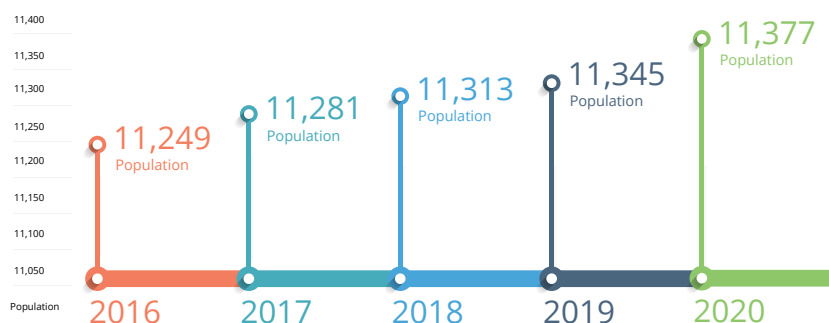
Balance, year ending December 31, 2020	<u>\$ 2,483,800</u>
--	----------------------------

Statistical Information

Population by Age (2020)



Population by Year



Education of population aged 25-64

245	No certificate, diploma or degree
1305	High school diploma or equivalent
765	Apprenticeship or trades certificate or diploma
1215	College, CEGEP or other non-university certificate or diploma
310	University certificate or diploma below bachelor level
1935	University certificate, diploma or degree at bachelor level or above

Unemployment Rate

2016	2017	2018	2019	2020
5.2%	3.9%	4.0%	3.4%	5.8%

Occupation of working population

120	Operations unique to primary industry
850	Management
815	Business, finance and administration
555	Natural and applied sciences
540	Health
495	Education, law and social, community & government
200	Art, culture, recreation and sport
1055	Sales and service occupations
710	Trades, transport and related occupations
140	Natural resources, agriculture & related occupations

Source: Statistics Canada for Greater Victoria Area. Numbers and graphs on this page are updated from the Census information available every 5 years. Population numbers are estimated based on 2011/2016 Census information.

Statistical Information

Taxable Assessment of Land & Improvements (thousands)

	2016	2017	2018	2019	2020
Residential	\$3,514,071	\$4,232,893	\$4,875,157	\$5,126,481	\$5,077,694
Utilities	688	709	699	713	806
Light Industrial	26,576	30,427	25,775	27,988	28,994
Business / Other	216,738	222,614	306,895	347,761	360,388
Recreation / Non-profit	54,668	55,922	56,239	60,825	63,350
Farm	3,124	3,119	3,102	3,056	3,073
	\$3,815,865	\$4,545,684	\$5,267,867	\$5,566,824	\$5,534,305

Property Tax Levies (thousands)

	2016	2017	2018	2019	2020
District of North Saanich	\$12,090	\$12,372	\$12,606	\$12,683	\$13,040
School Authorities	7,925	7,780	8,259	8,946	7,242
Regional Hospital District	1,296	1,346	1,386	1,353	1,234
Municipal Finance Authority	1	1	1	1	1
BC Assessment Authority	251	239	258	257	272
BC Transit Authority	1,322	1,277	1,304	1,368	1,417
Regional District	2,783	2,896	2,992	2,985	2,984
Total Property Tax Levies	\$25,668	\$25,911	\$26,806	\$27,593	\$26,190
Total Property Taxes Collected*	\$25,699	\$25,964	\$26,358	\$27,877	\$25,900

*current year levy plus change in taxes receivable

Top Five Principal Corporate Taxpayers:

Victoria Airport Authority
BC Ferry Services Inc.

Sobeys Capital Inc.
Sandown Properties Ltd.

Canoe Cove Marina Ltd.

Source: District of North Saanich Financial Services Department

Statistical Information

Debenture Debt	2016	2017	2018	2019	2020
----------------	------	------	------	------	------

(in thousands except for population, households and per capita/per household data)

Gross Outstanding Debt	\$8,812	\$8,315	\$7,818	\$7,549	\$6,371
Actuarial Allocation	(725)	(1,020)	(1,291)	(1,409)	(634)
Net Outstanding Debt	\$8,087	\$7,295	\$6,527	\$6,140	\$5,737

Debt Servicing Cost*	2016	2017	2018	2019	2020
----------------------	------	------	------	------	------

Property Tax Supported	\$139	\$139	\$139	\$139	\$139
Specified Area	902	902	675	359	359
Total Debt Servicing Cost	\$1,042	\$1,042	\$814	\$498	\$498
Debt Capacity Available	\$7,913	\$9,705	\$10,473	\$11,860	\$12,263
Population	11,249	11,281	11,313	11,345	11,377
Households	4,630	4,655	4,680	4,705	4,730
Net Debt per Capita	\$719	\$647	\$577	\$541	\$504
Net Debt per Household	\$1,747	\$1,567	\$1,395	\$1,305	\$1,213
Debt Servicing per Capita	\$93	\$92	\$72	\$44	\$44
Debt Servicing per Household	\$225	\$224	\$174	\$106	\$105

*Debt servicing cost includes principal and interest payments made during the year.

Construction	2016	2017	2018	2019	2020
--------------	------	------	------	------	------

Building Permits	169	224	192	167	188
Construction Value (thousands)	\$33,344	\$69,596	\$55,146	\$33,257	\$52,102

Source: District of North Saanich Financial Services Department. Population and household information is an estimate based on 2011/2016 Census

Statistical Information

District Employees	2016	2017	2018	2019	2020
Part time	5	7	7	6	6
Full time	53	53	52	56	57
Revenues by Type (thousands)	2016	2017	2018	2019	2020
Net taxes available for municipal purposes	\$12,090	\$12,372	\$12,606	\$12,683	\$13,040
Sale of services	5,553	5,683	6,075	5,560	5,803
Other revenue	58	605	538	482	311
Contributed assets	860	9,403	-	5,658	3,148
Investment earnings	602	714	674	834	807
Government transfers	941	1,018	1,691	1,701	4,306
	\$20,104	\$29,795	\$21,584	\$26,918	\$27,415

Source: District of North Saanich Financial Services Department. Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year

Statistical Information

Expenses by Function (thousands)

	2016	2017	2018	2019	2020
General government	\$3,264	\$3,182	\$3,538	\$3,383	\$3,697
Protective services	2,699	2,885	3,355	3,437	3,475
Solid waste management and environment	61	60	63	70	100
Planning and community	934	947	935	1,004	1,152
Transportation	2,909	3,230	3,097	3,368	3,734
Parks, recreation and culture	1,287	1,420	1,491	1,584	1,784
Water utility	3,007	2,856	3,152	3,132	3,242
Sewer utility	1,938	1,874	1,698	1,681	1,791
	\$16,099	\$16,454	\$17,329	\$17,659	\$18,975

Expenses by Object (thousands)

	2016	2017	2018	2019	2020
Salaries, wages and employee benefits	\$5,465	\$5,664	\$5,660	\$5,923	\$6,465
Contracted services	4,859	5,252	5,768	5,748	6,133
Supplies and materials	2,683	2,581	2,907	2,923	3,202
Interest and bank charges	558	538	328	240	239
Amortization	2,534	2,419	2,666	2,825	2,936
	\$16,099	\$16,454	\$17,329	\$17,659	\$18,975

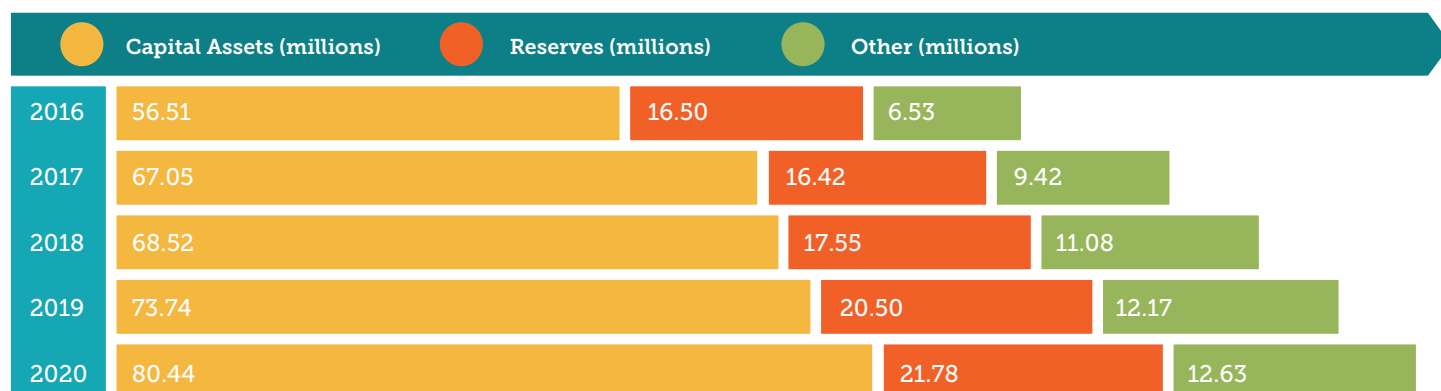
Source: District of North Saanich Financial Services Department. Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year

Statistical Information

Net Financial Assets (millions)		Acquisition of Tangible Assets (millions)		Total Accumulated Surplus (millions)	
2016	\$14.69	2016	\$3.76	2016	\$79.55
2017	\$18.19	2017	\$12.32	2017	\$92.89
2018	\$21.79	2018	\$3.40	2018	\$97.15
2019	\$25.85	2019	\$7.82	2019	\$106.41
2020	\$28.32	2020	\$9.25	2020	\$114.85

Revenues (millions)		Expenses (millions)		Annual Surplus (millions)	
2016	\$20.10	2016	\$ 16.10	2016	\$4.00
2017	\$29.80	2017	\$ 16.45	2017	\$ 13.34
2018	\$21.58	2018	\$ 17.33	2018	\$ 4.26
2019	\$26.92	2019	\$17.66	2019	\$9.26
2020	\$27.41	2020	\$18.96	2020	\$8.44

Total Accumulated Surplus Breakdown:



Source: District of North Saanich Financial Services Department. Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year