

District of North Saanich,
British Columbia, Canada

2021 Annual Report

For The Year Ended December 31, 2021



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

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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 2021 Annual Report. The report provides a comprehensive summary of activity and accomplishments in 2021 and looks ahead to 2022 projects and policy initiatives that align with our Strategic Plan.

The impact of the COVID-19 pandemic continued for the duration of 2021. The District was required to adapt to the ever changing safety protocols and the emergence of new variants. Our Procedures Bylaw was amended to align with revised Provincial regulations and to allow us to formalize and shift to a hybrid Council meeting model which permits in-person and virtual attendance.

The 2021 Budget process resulted in a preliminary municipal tax increase of 3.86% which was subsequently reduced to 2.86%. The COVID-19 Restart grant was used to fund COVID-19 related costs – lowering the overall municipal tax increase. We were also able to grant \$86,500 to local non-profit groups adversely impacted by COVID-19. An additional \$150,000 was set aside for another round of COVID-19 grant applications. Council voted to waive 2021 business license fees.

Despite the continued impacts of COVID-19, 2021 was another active year and Council was pleased to see substantial progress on several major projects and policy initiatives. The Active Transportation Plan project was approved, and the Official Community Plan Review and Tree Protection Bylaw Review moved through additional engagement phases. Both projects will continue in 2022. Many other projects and initiatives are detailed in this report.

I would also like to acknowledge the considerable 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 – we recently added two new permanent firefighters and 11 new volunteers.

Council is so impressed by the way staff have adapted to the prolonged COVID-19 crisis and maintained services levels, while prioritizing the health and safety of staff, Council, and residents.

Please take some time to browse the report and review each department's 2021 achievements and plans for 2022. Council is motivated by a desire to ensure the municipality of North Saanich is 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 Ardmere, 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, 2020. 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, 2020



Executive Director/CEO

Message From The Chief Administrative Officer

We are pleased to present the 2021 Annual Report for the District of North Saanich. This was a busy and successful year for North Saanich municipal staff. The continuing waves of the COVID-19 pandemic required frequent changes in our normal operations. 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 2021 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 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 highlights are outlined below.

The Corporate Services department responded to Freedom of Information requests, posted public notices, held community engagement sessions, and attracted additional website email subscribers and social media followers. They prepared a Communicable Disease Prevention Plan and implemented "back to work" plans, completed a review of the Corporate Services and Public Works staffing structure, launched public engagement plans for the 2022 Budget, Active Transportation Plan, Tree Bylaw Review, and OCP, and launched the Fire Services department's Instagram account.

The Finance & Information Technology Services department collected property taxes, processed utility bills, and resolved various IT helpdesk requests. They received the GFOA Award for Excellence in Financial Reporting for 2020, delivered a budget engagement survey and engagement results summary, completed building condition assessments for municipal buildings, and commenced a security system upgrade.

The Infrastructure Services department issued soil permits, processed construction deposits, resolved service requests, conducted traffic analyses, completed pedestrian safety improvements, and installed water main and drainage infrastructure, water services, fire hydrants, sidewalks etc. They also undertook emergency repair of the Chalet Road washout, had the Active Transportation Plan adopted, and began developing design of Phase 3 Jubilee Park facilities.

The Planning & Community Services department processed various development permits, development variance permits, subdivision applications, Board of Variance applications, building permits, and tree permits. They also conducted building inspections, responded to bylaw infraction complaints, and processed business licence applications. They completed Phase 2 of both the OCP review and the tree bylaw review, established a CRD Saanich Peninsula Harbour initiative, and appointed a new Senior Planner for policy and climate change.

The Emergency & Fire Services department logged 8,685 volunteer hours, 524 emergency responses, issued 721 burning permits and conducted 302 commercial inspections. They took delivery of a new Tender and Engine, completed outfitting the marina trailer and continued work on the Community Wildfire Protection Plan.

Police Services responded to service calls, expanded the Block Watch program, launched a fraud scam awareness campaign and started a new bike registration program (Project 529).

We look forward to another busy year in 2022!



Tim Tanton
Chief Administrative Officer

Organizational Structure (As at December 31, 2021)

Mayor & Council

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**Chief Administrative
Officer:** Tim Tanton

.....

Corporate Services:
Rachel Dumas, Director

**Financial & Information
Technology Services:**
Stephanie Munro, Director

Infrastructure Services:
Ben Martin, Director

**Planning & Community
Services:** Brian Green, Director

Emergency & Fire Services:
John Trelford, Director

MUNICIPAL AUDITORS
BDO Canada LLP



BANKERS

Toronto Dominion Bank



INVESTMENT ADVISORS
Canaccord Genuity



2021 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 2022. 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
- Communicating news about District initiatives through media relations, social media platforms, and other communications channels

2021 Results:

- COVID-19: Prepared Communicable Disease Prevention Plan and implemented "back to work" transition plans
- Prepared and implemented COVID-19 Vaccination Policy for municipal staff and contractors
- Prepared and implemented Parental/ Maternity Leave for elected Officials Policy
- Revised Respectful Workplace Policy to include anti-discrimination language
- Completed review of the District's Policy Manual
- Completed review of Council Appointments to external organizations
- Enhanced the Freedom of Information request process
- Introduced "coffee with the Mayor" public event
- Commenced review of Commission Appointment and Orientation process
- Commenced review of First Aid Program
- Commenced review of Fire Warden Program
- Commenced review of key inventory for municipal buildings and parks
- Completed review of Corporate Services and Public Works staff staffing structures
- Completed review of Administrative Assistants' job description evaluations

Department Overviews: Corporate Services

- Commenced transition of historical human resources paper records to electronic format
- Scheduled Respectful Workplace Training for municipal staff
- Commenced review of employee performance evaluation templates
- Enhanced Council meeting procedures and logistics
- Launched public engagement: Let's Talk Budget (2021), Active Transportation Plan, Tree Protection Bylaw Review, Official Community Plan
- Launched DNS Fire Department Instagram account
- Produced District of North Saanich newsletters three times annually

2022 Goals and Major Projects:

- Administer the Municipal Election
- Review human resources onboarding and offboarding templates
- Review employment recruitment process, including training
- Implement iCompass software for electronic staff report process
- Review records management process for municipal agreements
- Review records management process for municipal bylaws
- Prepare Corporate Services department procedures manual
- Review Employee Long Term Service Recognition Program
- Continue engagement on Tree Protection Bylaw Review and Official Community Plan
- Launch engagement for Budget 2022 and Jubilee Park additions
- Develop an Engagement Framework
- Enhance communications with local Indigenous communities
- Develop an internal communications strategy
- Develop Fire Department and outdoor burning communications strategy
- Develop Indigenous communities' relationship strategy
- Produce District of North Saanich newsletters three times annually

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 and janitorial contracts
- Management and support of the District's computer network
- Management and support of the District's telephone and cellular communication

2021 Results:

- Awarded the GFOA Award for Excellence in Financial Reporting for 2020
- Delivered a budget engagement survey and engagement results summary for 2021 and presented an updated budget engagement plan for 2022
- Provided analysis and options on tax rate setting in accordance with the Long Term Taxation Strategy
- Implemented new reserve fund structure in the 2021 financial plan
- Completed the Building Condition Assessment and Reinvestment Plan for all municipal buildings
- Procured equipment and software required for the desktop computer rollover

- Commenced the upgrade of the security system including installation of security cameras
- Continued audio visual improvements in the Council Chambers
- Procured two servers
- Migrated email system to Microsoft 365

2022 Goals and Major Projects:

- Update Infrastructure Replacement Gap Analysis
- Review the District's Purchasing Policy
- Apply for the GFOA Distinguished Budget Presentation Award for the 2023 Budget
- Apply for the GFOA Award for Excellence in Financial Reporting for 2021
- Commence the asset management project (multi-year project) in order to work towards improving data quality and consolidating departmental information (condition reports, asset details, GIS locations, Asset Retirement Obligations (ARO) applicability)
- Implement HRISMyWay in order to update payroll information security to best practices and stream line approval processes
- Develop an ARO policy and implement the obligations to comply with the new PSAB standard
- Develop a permissive tax exemption policy for Council consideration
- Develop workflow processes and support materials for procurement processes
- Complete desktop computer upgrade
- Continue the upgrade of the security system at the municipal hall and both fire halls

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

2021 Results:

- Construction of water main renewal Phase 4 Curteis Point (substantial completion Feb. '22)
- Issued Request for Proposal for water main renewal Phase 5 Downey Road Deep Cove
- Issued Request for Quotes for Briarwood Beach Access Site Review
- Completed the Beacon Avenue West Traffic Study
- Constructed pedestrian crossing improvements at Mills & Littlewood Road
- Completed design of pedestrian crossing improvements to Scoter Trail at Tapping Road
- Completed West Saanich and Wain Road traffic safety study
- Completed KELSET Elementary School traffic study
- Council adopted the Active Transportation Plan
- Commenced a traffic safety improvements program – data collection, evaluation and traffic calming
- Issued a Request for Proposal for active transportation facilities and drainage improvement on McDonald Park Road
- Undertook an emergency repair of Chalet Road culvert crossing failure
- Issued Request for Quotes for the repair of Chalet Road culvert
- Drainage Master Plan – Public Engagement for Integrated Stormwater Management Plan in Tseycum Creek Watershed (completion Spring '22)



Department Overviews: Infrastructure Services

- Completed Phase 2 of the sidewalk rehabilitation and drainage upgrade on McDonald Park Road near Parkland Secondary School
- Completed construction of water service and fire hydrant for Rotary Park
- Involved in the Telecommunications Tower extension at Sandown
- Commenced design development of Phase 3 Jubilee Park facilities
- Continued the Reay Creek Pedestrian Bridge project – Public engagement, environmental review and Council approval to further develop
- Obtained an Archaeological Multi-Assessment Permit for 2022-2025

2022 Goals and Major Projects:

- Construction of water main renewal Phase 5 Downey Road Deep Cove
- Construction of Phase 3 of the sidewalk rehabilitation and drainage upgrade on McDonald Park Road near Parkland Secondary School
- Repaving of McTavish Road Fire Hall
- Construction of pedestrian crossing improvements to Scotor Trail at Tapping Road
- Construction of KELSET Elementary School traffic safety improvements
- Traffic safety improvements program – data collection, evaluation and traffic calming
- Design, grant application and tender of active transportation facilities and drainage improvement on McDonald Park Road
- West Saanich and Wain Road traffic safety study implementation
- Construction of the repair of Chalet Road culvert
- Drainage Master Plan completion
- Public engagement for development of Phase 3 Jubilee Park facilities
- Reay Creek Pedestrian Bridge – design development
- Saanich Peninsula Liquid Waste Management Plan update
- Issuance of Request for Proposal for Parks Master Plan



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 strategic planning policy and bylaw review processing of all types of development applications, building permits, tree permits, issuing of business licenses and ensuring bylaw compliance.

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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
- Providing updates on projects and initiatives for the website

2021 Results:

- Completed Phase 2 of the comprehensive review and update of the District's Official Community Plan
- Completed Phase 2 of a draft Tree Protection Bylaw
- Reviewed and revised the District's development application fees
- Revised and adopted the Development Applications Procedure Bylaw
- Finalized the ALR Exclusion application for Panorama Recreation with the Agricultural Land Commission (ALC) through the discharge of conditions attached to the ALC decision
- Established the CRD Saanich Peninsula Harbour Initiative
- Awarded the animal control services contract to CRD
- Appointed a new senior Planner (Policy and Climate Change)
- Reported to Council on amendments to the Zoning Bylaw to remove the requirement for a S.219 covenant to be registered for secondary suites as part of new construction of a single-family dwelling and for the construction of a guest cottage
- Made significant progress on a number of Bylaw Compliance files

2022 Goals and Major Projects:

- Complete Phase 3 (Drafting the Plan) of the comprehensive review and update of the District's Official Community Plan
- Commence Phase 3 engagement and completion of a review of the District's Tree Protection Bylaw
- Present to Council on the CRD Regional Flood Inundation Project
- Review and update the District's Community Amenity Contributions policy
- Perform a comprehensive review and update of the Subdivision Bylaw

Department Overviews: Emergency & Fire Services

The North Saanich Fire Department is a composite, career/volunteer department consisting of the Fire Chief, Deputy Fire Chief, two full-time Fire Fighters, a full-time Fire Prevention Officer, an Administrative Assistant and 43 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 Saanich Peninsula Alert and the Peninsula Emergency Measures Organization with the Town of Sidney and the District of Central Saanich.

2021 Activity Level Performance Measures & Key Statistics

| | |
|-------------------------------------------------|-------|
| Volunteer hours..... | 8,685 |
| Responses (duty, fire, medical)..... | 524 |
| Solid fuel and oil application inspections..... | 5 |
| Burning permits issued..... | 721 |
| Commercial inspections..... | 302 |

2021 Results:

- Delivered new Tender and Engine
- Delivered forcible entry training prop
- Completed the outfit of a marina trailer and equipment
- Completed the renovation of McTavish Hall, complete with functional training space
- Replaced Truck C2
- Upgraded and launched Saanich Peninsula Alert platform
- Recruited volunteer fire fighter class with necessary health and safety protocols
- Began development of a Fire Department Strategic Plan
- Continued provision of fire prevention education
- Continued the Community Wildfire Protection Plan (CWPP)

2022 Goals and Major Projects:

- Explore funding opportunities to begin implementing recommendations from the CWPP
- Commence Truck C2 into service
- Begin renovations to upper floor and washrooms at Wain Road Hall
- Complete Fire Department Strategic Plan
- Implement pilot project of volunteer overnight staffing of McTavish Hall
- Install back up generator at Wain Road Hall
- Update Emergency Response and Recovery Plan
- Update Hazard Risk and Vulnerability Assessment (HRVA)
- Continue Recruit class training (started September 2021)
- Replace Rescue truck with a Rescue Pumper truck
- Continue Emergency Management training and exercises for staff

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 officers providing Indigenous Policing Services. On average the detachment responds to 7,000 calls for service annually, many involving extensive investigation.

A management team and municipal employees are responsible for administration, reception, records management, planning, budget and operations for the detachment. Business hours for inquiries, assistance and service is Monday to Friday from 8:30 am – 4:15 pm.

Strategic Policing Priorities:

The detachment policing priorities are established through an analysis of crime statistics, consultation with community partners and in alignment with local, provincial and national public safety initiatives. In 2021 annual policing priorities for traffic safety, property crime reduction, policing presence and community engagement and enhanced services to Indigenous communities were implemented. Impaired driving and speed enforcement were specifically identified as community traffic safety issues and enforcement in these areas support the prevention of motor vehicle accidents and increased safety for pedestrians and cyclists. The focused efforts on traffic safety resulted in a significant increase in impaired driving enforcement in 2021. Investigations of both alcohol and drug impairment while driving will remain a policing priority in 2022 as a result of the trend local police are seeing. The strategies engaged during 2021 to reduce shoplifting from local businesses has produced results. Fewer shoplifting offences have been reported and businesses routinely report and engage police to investigate and recommend theft charges. Community policing programs which includes the Block Watch Program are utilized to inform participants on crime trends and crime locations providing an avenue for community connection and awareness.

In 2021 crime patterns continued to shift with significant increases in the number of fraud offences and marine thefts being reported. An alarming increase in the number of victims of fraud scams prompted the launching of a media and awareness campaign to capture community attention to the issue and to assist residents with practical prevention steps to take. This fraud scam awareness in partnership with the Town of Sidney and District of North Saanich will continue through 2022 to reduce the number of fraud scam victims in our community. The vast majority of these crimes are preventable and the public are encouraged not to respond to urgent requests for funds or to purchase gifts cards without confirming with a trusted family member, your bank or local police service.

Department Overviews: Police Services

During the winter months of 2021 and early 2022 a pattern of dinghy and boat motor thefts emerged as occurring in local marinas but was associated to similar thefts occurring along the south coast of Vancouver Island. The owners of dinghy's and boat motors are reminded to record the make and serial numbers but also use an identifiable marking that would assist in identification of your property if the serial number was removed. Police investigation of these thefts is ongoing and owner efforts to secure and mark this property assists police as they recover possible stolen property.

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 of public safety while maintaining officer safety. Under the leadership of the Detachment Commander, officers adjusted to new procedures and shifts in crime trends and participated in crime prevention investigation and proactive policing initiatives while working closely with volunteers and policing partners to reduce crime and harm in the community.

Community Policing and Volunteer Programs:

The detachment is supported by dedicated volunteers who donate their time to help make Sidney and North Saanich safe and desirable communities to live and work. Programs which enhance policing services to our communities include Restorative Justice, Victim Services, Speed Watch and the Block Watch program. Our priority continues in delivering community policing and crime prevention strategies which help community members from becoming victims of theft, fraud, vandalism and other property crime. During the past year our Community Policing, Media Liaison and Block Watch coordinator assisted in delivering on these programs which enhances safety and help prevent 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. In 2021 and continuing through 2022 updates will be circulated to Block Watch participants on new and evolving fraud scam alerts. The launching of an awareness campaign utilizing social media messaging and prevention steps will continue in its emphasis and heightened profile to change the ability of residents to quickly recognize and spot a scam when encountered.

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.

The visibility and presence of police provides a strong deterrent to problems such as vandalism and theft. In 2021 a growing trend of graffiti and defacing property was seen in the core sector and parks in the community. The quick removal of graffiti is a strong message of community intolerance. Focusing our police resources to provide a presence in public spaces, our parks, business sector and waterfront provides an added deterrence. Community members are encouraged to immediately report any incidents of vandalism and graffiti to police. Over the summer months of 2022 police foot patrols and bike patrols will be directed to include these locations in the community.

Department Overviews: Police Services

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. Sidney/North Saanich RCMP invite the owners of cyclists in our community to participate in this bike registration service. During 2022 local RCMP will be supporting bike registration Project 529 opportunities. 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.

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 2021 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 16, 2022

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, 2021. 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, 2021. 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 \$23.22 million of revenue reported by the District for 2021, 59% of it came from property taxes and 23% from water and sewer fees and charges. The decrease in revenue in 2021 vs. 2020 is related to the \$2.711 million COVID-19 Safe Restart Grant received in 2020 as well as higher contributed assets received in 2020 (\$3.148 million in 2020 vs. \$243 thousand in 2021). Revenue was higher than budgeted due to higher water revenue (related to significant heat events in summer 2021) and \$243 thousand worth of contributed assets recognized as contributions from developers during the year. The contributed assets 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 35% 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. Expenses increased from prior year due partially to a union negotiated salary and wage increase.

In 2021 the District continued the practice of closing the infrastructure funding gap as tax funded capital reached \$2.2 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 \$5.7 million at the end of 2020 to \$5.3 million in 2021 as principal payments are made. Operating results for 2021 exceeded budgeted expectations. The District's net investment in capital assets increased by \$1.4 million, total accumulated surplus decreased by \$3.4 million, and total statutory and non-statutory reserves increased by \$6.7 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 2020 annual report and look forward to the year ahead.

Stephanie Munro CPA, CA
Director of Financial Services



Financial Information: 2021 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 2021. 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 | 3,004 |
| BC Aviation Museum | 1910 Norseman Road | 16,267 |
| Holy Trinity Anglican Church | 1319 Mills Road | 6,877 |
| Holy Trinity Anglican Church | 1325 Mills Road | 2,809 |
| Kiwanis Elderly Citizens Village | 10585 McDonald Park Road | 11,616 |
| Navy League of Canada (Saanich Peninsula Branch) | 9565 B Hurricane Road | 1,628 |
| Saanich Peninsula Chamber of Commerce | 10382 Pat Bay Highway | 2,414 |
| Saanich Peninsula Presbyterian Church | 9296 East Saanich Road | 11,996 |
| Seventh Day Adventist Church | 9300 Willingdon Road | 14,555 |
| Sidney & North Saanich Memorial Park Society | 10640 McDonald Park Road | 7,775 |
| Sidney & North Saanich Memorial Park Society | 10714 McDonald Park Road | 14,028 |
| Sidney Pentecostal Church | 10364 McDonald Park Road | 8,322 |
| St. John's United Church | 10990 West Saanich Road | 5,445 |
| Town of Sidney | 1665 McTavish Road | 10,118 |
| Capital Regional District | 1717 McTavish Road | 32,880 |
| McTavish Academy of Art (partial exemption) | 1720 McTavish Road | 14,579 |
| BOKECEN XAXE (Sacred) Society | McTavish Road | 25,578 |
| Total (\$) | | 189,891 |

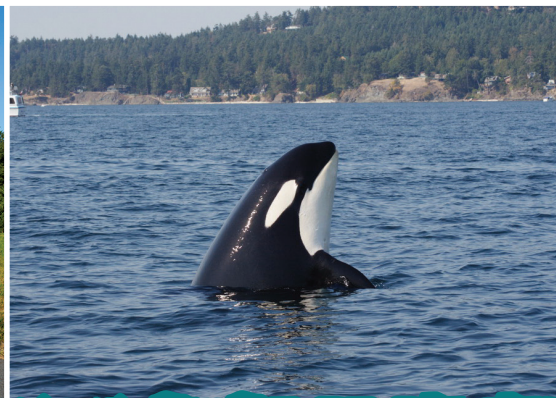
District of North Saanich

Financial Statements

Year Ended December 31, 2021

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District of North Saanich

December 31, 2021

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 Canadian Public Sector Accounting Board of the Chartered Professional Accountants Canada. A summary of the significant accounting policies is 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



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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, 2021 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 accompanying financial statements present fairly, in all material respects, the financial position of the District at December 31, 2021 and its results of operations, changes in net financial assets, 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.

Other Matters

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Schedule 1 of the District's consolidated financial statements.

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.



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.

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia

May 6, 2022

District of North Saanich

Statement of Financial Position


December 31, 2021, with comparative information for 2020

| | 2021 | 2020 |
|---------------------------------------------------|----------------------|----------------------|
| Financial assets | | |
| Cash and cash equivalents | \$ 16,275,867 | \$ 17,213,216 |
| Portfolio investments (note 2) | 25,840,793 | 25,434,788 |
| Accounts receivable | | |
| Taxes | 429,477 | 871,678 |
| Other (note 3) | 2,533,663 | 2,392,550 |
| Debt reserve deposits (note 4) | 135,376 | 133,112 |
| | \$ 45,215,176 | \$ 46,045,344 |
| Liabilities | | |
| Accounts payable and accrued liabilities (note 5) | 4,979,022 | 7,371,229 |
| Prepaid property taxes | 677,322 | 731,706 |
| Deferred revenue (note 6) | 2,181,714 | 2,282,135 |
| Deposits | 901,265 | 1,131,707 |
| Employee future benefit liability (note 7) | 483,500 | 475,900 |
| Debt (note 8) | 5,317,525 | 5,736,594 |
| | \$ 14,540,348 | \$ 17,729,271 |
| Net financial assets | \$ 30,674,828 | \$ 28,316,073 |
| Non-financial assets | | |
| Tangible capital assets (note 9) | 87,190,561 | 86,180,024 |
| Inventory of supplies | 185,922 | 160,231 |
| Prepaid expenses | 155,590 | 189,363 |
| | \$ 87,532,073 | \$ 86,529,618 |
| Accumulated surplus (note 10) | \$118,206,901 | \$114,845,691 |

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, 2021, with comparative information for 2020

| | Budget (note 15) | 2021 | 2020 |
|--------------------------------------------------|---------------------|---------------|---------------|
| Revenues: (note 14) | | | |
| Taxes available for municipal purposes (note 12) | \$ 13,622,300 | \$ 13,706,632 | \$ 13,039,686 |
| Sale of services | | | |
| General | 1,056,000 | 1,374,375 | 1,164,794 |
| Water utility fees and charges | 3,435,100 | 3,856,883 | 3,364,806 |
| Sewer utility fees and charges | 1,470,800 | 1,444,024 | 1,272,935 |
| Income from portfolio investments | 440,000 | 473,839 | 807,471 |
| Contributed assets (note 9) | - | 243,157 | 3,147,713 |
| Government transfers (note 13) | 1,529,400 | 1,569,313 | 4,306,114 |
| Other revenue | 201,700 | 553,340 | 311,290 |
| | \$ 21,755,300 | \$ 23,221,563 | \$ 27,414,809 |
| Expenses: (note 14) | | | |
| General government | 4,666,672 | 4,011,048 | 3,697,329 |
| Protective services | 4,166,522 | 3,484,711 | 3,474,583 |
| Solid waste management and environment | 135,900 | 85,847 | 100,005 |
| Planning and community | 1,723,776 | 1,334,225 | 1,152,037 |
| Transportation | 4,681,866 | 3,488,519 | 3,734,228 |
| Parks, recreation and culture | 1,942,213 | 1,857,705 | 1,784,379 |
| Water utility | 3,722,620 | 3,705,392 | 3,241,744 |
| Sewer utility | 2,015,881 | 1,892,906 | 1,790,988 |
| | \$ 23,055,450 | \$ 19,860,353 | \$ 18,975,293 |
| Annual surplus (deficit) | (1,300,150) | 3,361,210 | 8,439,516 |
| Accumulated surplus, beginning of year | 114,845,691 | 114,845,691 | 106,406,175 |
| Accumulated surplus, end of year | \$113,545,541 | \$118,206,901 | \$114,845,691 |

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, 2021, with comparative information for 2020

| | Budget (note 15) | 2021 | 2020 |
|-------------------------------------------|---------------------|---------------|---------------|
| Annual surplus (deficit) | \$ (1,300,150) | \$ 3,361,210 | \$ 8,439,516 |
| Acquisition of tangible capital assets | (8,495,500) | (3,825,036) | (6,096,956) |
| Amortization of tangible capital assets | 3,448,000 | 2,954,186 | 2,935,746 |
| (Gain) loss on disposal of capital assets | - | (170,997) | 6,301 |
| Proceeds on disposal of capital assets | - | 274,466 | - |
| Contributed capital assets | - | (243,157) | (3,147,713) |
| | (6,347,650) | 2,350,672 | 2,136,894 |
| Acquisition of inventory of supplies | - | (152,431) | (125,259) |
| Consumption of inventory of supplies | - | 126,740 | 100,676 |
| Acquisition of prepaid expenses | - | (143,053) | (187,782) |
| Use of prepaid expenses | - | 176,827 | 541,427 |
| Change in net financial assets | (6,347,650) | 2,358,755 | 2,465,956 |
| Net financial assets, beginning of year | 28,316,073 | 28,316,073 | 25,850,117 |
| Net financial assets, end of year | \$ 21,968,423 | \$ 30,674,828 | \$ 28,316,073 |

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

District of North Saanich

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

| | 2021 | 2020 |
|-----------------------------------------------------------------|---------------|---------------|
| Cash provided by (used in): | | |
| Operating transactions: | | |
| Annual surplus | \$ 3,361,210 | \$ 8,439,516 |
| Items not involving cash: | | |
| Contributed tangible capital assets | (243,157) | (3,147,713) |
| (Gain) loss on disposal of capital assets | (170,997) | 6,301 |
| Amortization of tangible capital assets | 2,954,186 | 2,935,746 |
| Actuarial sinking fund earnings | (149,725) | (133,670) |
| | 5,751,517 | 8,100,180 |
| Change in non-cash operating assets and liabilities | | |
| Decrease (increase) in accounts receivable - taxes | 442,201 | (290,071) |
| (Increase) in accounts receivable - other | (141,113) | (679,300) |
| (Increase) in debt reserve deposits | (2,264) | (2,684) |
| Decrease in prepaid expenses | 33,773 | 353,643 |
| (Decrease) increase in accounts payable and accrued liabilities | (2,392,207) | 2,880,240 |
| (Decrease) increase in prepaid property taxes | (54,384) | 84,963 |
| (Decrease) in deferred revenue | (100,421) | (109,832) |
| Increase in employee future benefit obligations | 7,600 | 37,600 |
| (Increase) in materials and supplies | (25,691) | (24,583) |
| (Decrease) in deposits | (230,442) | (236,381) |
| | 3,288,569 | 10,113,775 |
| Capital transactions: | | |
| Acquisition of tangible capital assets | (3,825,036) | (6,096,956) |
| Proceeds on disposal of tangible capital assets | 274,466 | - |
| | (3,550,570) | (6,096,956) |
| Financing transactions: | | |
| Repayment of debt | (269,343) | (269,343) |
| Investing transactions: | | |
| Change in portfolio investments | (406,005) | (564,587) |
| (Decrease) increase in cash and cash equivalents | (937,349) | 3,182,889 |
| Cash and cash equivalents, beginning of year | 17,213,216 | 14,030,327 |
| Cash and cash equivalents, end of year | \$ 16,275,867 | \$ 17,213,216 |

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

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

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"). 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, 2021

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, 2021

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, 2021

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.

(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, 2021

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 or services provided.

(m) Allocation of expenses

Salary, wages and employee benefit expenses include the costs for District employees. The cost of certain 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 assets, receivables and 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 2022 to November 2023 and have rates of return ranging from 0.80% to 2.50% (2020: 0.80% to 3.30%).

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

3. Other accounts receivable

Other accounts receivable consists of the following:

| | 2021 | 2020 |
|-----------------------------------------------------|---------------------|---------------------|
| Utility fees and charges | \$ 1,394,809 | \$ 1,230,171 |
| BikeBC grant receivable | 615,916 | 615,916 |
| Other grants receivable | 50,000 | 24,255 |
| GST rebate | 317,088 | 397,921 |
| Trade accounts receivable | 87,785 | 60,026 |
| Receivable from library / other municipalities | 21,819 | 19,779 |
| Deferred property taxes due from the Province of BC | 4,967 | 8,120 |
| Miscellaneous | 41,279 | 36,362 |
| | \$ 2,533,663 | \$ 2,392,550 |

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, 2021, deposits of \$135,376 (2020 - \$133,112) 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, 2021 there were contingent demand notes of \$255,076 (2020 - \$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, 2021

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

| | 2021 | 2020 |
|-----------------------------------------------------------------|---------------------|---------------------|
| Trade accounts payable | \$ 1,643,455 | \$ 1,330,572 |
| Accrued liabilities | 616,858 | 586,503 |
| Grants in lieu payable to other government organizations | 508,966 | 649,340 |
| Accrued payroll liability | 329,843 | 333,882 |
| Contaminated sites liability (a) | 100,000 | 100,000 |
| School tax levy and grant in lieu payable to the Province of BC | 1,706,538 | 4,307,310 |
| PEMO amounts held (b) | 73,362 | 63,622 |
| | \$ 4,979,022 | \$ 7,371,229 |

(a) A liability for contaminated sites has been recorded in the amount of \$100,000 (2020 - \$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

| | 2020 | Contributions received | Recognized as revenue | 2021 |
|-----------------------------|---------------------|---------------------------|--------------------------|---------------------|
| Amenity fee contributions | \$ 1,546,527 | \$ - | \$ - | \$ 1,546,527 |
| Prepaid building permits | 248,064 | 324,022 | (248,065) | 324,021 |
| Prepaid utility billings | 12,924 | 9,268 | (12,924) | 9,268 |
| Sewer upgrade contributions | 155,903 | - | - | 155,903 |
| Specified area charges | 298,641 | - | (180,452) | 118,189 |
| Other | 20,076 | 10,760 | (3,030) | 27,806 |
| | \$ 2,282,135 | \$ 344,050 | \$ (444,471) | \$ 2,181,714 |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

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:

| | 2021 | 2020 |
|------------------------|-------------------|-------------------|
| Accumulated sick leave | \$ 294,150 | \$ 285,524 |
| Retirement benefits | 189,350 | 190,376 |
| | \$ 483,500 | \$ 475,900 |

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

| | 2021 | 2020 |
|----------------------------------------------|-------------------|-------------------|
| Accrued benefit obligation - opening: | | |
| Balance, beginning of year | \$ 604,200 | \$ 486,100 |
| Current service cost | 68,600 | 52,200 |
| Interest cost | 13,800 | 13,900 |
| Benefits paid | (88,100) | (38,500) |
| Actuarial (gain) loss | (25,500) | 90,500 |
| Accrued benefit obligation - closing | 573,000 | 604,200 |
| Unamortized net actuarial loss | (89,500) | (128,300) |
| Accrued employee future benefit liability | \$ 483,500 | \$ 475,900 |

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

| | 2021 | 2020 |
|-------------------------|--------|--------|
| Discount rates | 2.60 % | 2.20 % |
| Expected inflation rate | 2.50 % | 2.50 % |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

7. Employee future benefit liability continued

The expected average remaining service life is 12 years (2020 - 12 years). The expected wage and salary increases (including 2.50% inflation estimate) are 2.58% - 4.50% (2020 - 2.58% - 4.50%). The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$95,700 (2020 - \$76,100).

Accumulated sick leave

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

Retirement benefits

Retirement benefits 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 trustee 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, 2020, the plan had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 \$471,946 for employer contributions to the plan in fiscal 2021 (2020 - \$464,041) and District employees paid \$406,922 (2020 - \$401,995).

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, 2021

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 fully actuarially determined as at December 31, 2020. At December 31, 2020, the total plan provision for approved claims was \$20,054,200 (2019 - \$17,748,900) and the provision for unreported claims was \$1,607,400 (2019 - \$1,332,400) with an accumulated surplus of \$4,450,361 (2019 - \$4,244,806). The total plan provision for approved and unreported claims and net surplus or deficit at December 31, 2021 will be available later in 2022. The District paid \$53,074 (2020 - \$52,395) for employer contributions and District employees paid \$53,074 (2020 - \$52,395) for employee contributions to the plan in 2021.

8. Debt

| | Interest rate | Year of maturity | Gross Debt | Repayments and actuarial earnings | 2021 | 2020 |
|----------------|---------------|------------------|--------------|-----------------------------------|--------------|--------------|
| MFA Issue #102 | 2.25 | 2032 | \$ 7,722,907 | \$ (3,403,244) | \$ 4,319,663 | \$ 4,629,452 |
| MFA Issue #127 | 3.3 | 2029 | 1,680,000 | (682,138) | 997,862 | 1,107,142 |
| | | | \$ 9,402,907 | \$ (4,085,382) | \$ 5,317,525 | \$ 5,736,594 |

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 2021 was \$229,205 (2020 - \$229,205).

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

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:

| | 2021 |
|---------------------------|---------------------|
| 2022 | \$ 269,343 |
| 2023 | 269,343 |
| 2024 | 269,343 |
| 2025 | 269,343 |
| 2026 | 269,343 |
| Thereafter | 1,364,356 |
| Future actuarial interest | 2,606,454 |
| | \$ 5,317,525 |

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 2021 or 2020.

In 2021 \$243,157 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 - \$55,027; roads - \$26,690; drainage - \$127,515; water - \$30,325; and sewer - \$3,600. In 2020 contributed assets worth \$3,147,713 were received.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

9. Tangible capital assets continued

| 2021 | Engineering Structures | | | | | | | | | | Total 2021 | Total 2020 |
|---------------------------------|------------------------|---------------------|--------------|---------------------------------------|---------------|--------------|---------------|---------------|-----------|---------------------|---------------|---------------|
| | Land | Land Improvement | Buildings | Vehicles, Machinery & Equipment | Roads | Drainage | Water | Sewer | Other | Work in Progress | | |
| Cost | | | | | | | | | | | | |
| Opening 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 | \$126,580,995 |
| Add: Additions | 55,027 | 39,996 | 182,357 | 2,145,499 | 488,081 | 212,109 | 55,307 | 3,600 | - | 886,217 | 4,068,193 | 9,244,669 |
| Less: Disposals | - | - | (4,399) | (1,479,011) | (14,154) | - | - | - | - | - | (1,497,564) | (29,343) |
| Completed work in progress | - | - | - | 1,293,179 | - | - | - | - | - | (1,293,179) | - | - |
| Closing balance | 22,246,923 | 3,886,351 | 8,737,800 | 11,001,736 | 40,914,473 | 7,790,081 | 14,348,598 | 28,412,136 | 65,381 | 963,470 | 138,366,949 | 135,796,321 |
| Accumulated Amortization | | | | | | | | | | | | |
| Opening 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 | 46,703,593 |
| Add: Additions | - | 119,432 | 189,620 | 728,595 | 1,022,578 | 138,275 | 198,772 | 555,685 | 1,229 | - | 2,954,186 | 2,935,746 |
| Less: Disposals | - | - | (4,399) | (1,375,541) | (14,154) | - | - | - | - | - | (1,394,094) | (23,042) |
| Closing balance | - | 1,138,651 | 2,923,090 | 5,533,727 | 24,707,186 | 2,057,508 | 5,965,188 | 8,803,520 | 47,519 | - | 51,176,389 | 49,616,297 |
| Net book value | \$ 22,246,923 | \$ 2,747,700 | \$ 5,814,710 | \$ 5,468,009 | \$ 16,207,287 | \$ 5,732,573 | \$ 8,383,410 | \$ 19,608,616 | \$ 17,862 | \$ 963,470 | \$ 87,190,561 | \$ 86,180,024 |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

10. Accumulated surplus

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

| | 2021 | 2020 |
|---------------------------------------------------------|----------------------|----------------------|
| Surplus | | |
| Invested in tangible capital assets | \$ 81,873,036 | \$ 80,443,429 |
| Unallocated surplus | 7,828,447 | 12,619,716 |
| Total surplus | 89,701,483 | 93,063,145 |
| Non-statutory reserve funds set aside by Council | | |
| First Nation Relations fund | 15,000 | - |
| Total non-statutory reserves funds | 15,000 | - |
| Statutory reserve funds set aside by Council | | |
| Capital reserves | 13,664,111 | 11,293,905 |
| Operating and opportunity reserves | 14,826,307 | 10,488,641 |
| Total statutory reserve funds | 28,490,418 | 21,782,546 |
| | \$118,206,901 | \$114,845,691 |

On January 11, 2021 Council adopted *North Saanich Reserve Funds Establishment Bylaw No. 1512, 2020*. This bylaw updated the District's reserve structure. Comparable data is shown as allocated within the new structure.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

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 2022 is \$522,500.

(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 2022 is \$125,000.

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

12. Taxes available for municipal purposes

| | Budget | 2021 | 2020 |
|--------------------------------------------------------------------|-------------------|-------------------|-------------------|
| Taxes collected for general municipal purposes: | | | |
| Property and business taxes | \$ 11,295,950 | \$ 11,277,338 | \$ 10,895,092 |
| Grants in lieu of taxes | 1,227,650 | 1,322,660 | 1,308,186 |
| Water and sewer system parcel taxes | 1,098,700 | 1,106,634 | 836,408 |
| Total | 13,622,300 | 13,706,632 | 13,039,686 |
| Taxes collected on behalf of and paid to other governments: | | | |
| School Authorities | - | 9,040,144 | 7,242,390 |
| Regional Hospital District | - | 1,236,232 | 1,234,323 |
| Municipal Finance Authority | - | 1,338 | 1,304 |
| British Columbia Assessment Authority | - | 282,128 | 272,250 |
| BC Transit Authority | - | 1,455,494 | 1,416,647 |
| Regional District | - | 3,389,285 | 2,983,326 |
| Total | - | 15,404,621 | 13,150,240 |
| Gross taxes collected | \$ - | \$ 29,111,253 | \$ 26,189,926 |

13. Government transfers

The following government transfers have been included in revenues:

| | Budget | 2021 | 2020 |
|------------------------------------------|--------------|--------------|--------------|
| Transfers | | | |
| Provincial | \$ 424,000 | \$ 487,500 | \$ 1,066,271 |
| Provincial - COVID-19 Safe Restart Grant | - | - | 2,711,000 |
| Federal | 1,105,400 | 1,081,813 | 528,843 |
| | \$ 1,529,400 | \$ 1,569,313 | \$ 4,306,114 |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

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, 2021

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, 2021

| December 31, 2021 | General Government | Protective Services | Solid Waste Management & Environment | Planning and Community | Transportation and Cultural | Parks, Recreation | Water Utility | Sewer Utility | 2021 |
|----------------------------------------|--------------------|---------------------|--------------------------------------|------------------------|-----------------------------|-------------------|---------------|---------------|---------------|
| Revenues | | | | | | | | | |
| Taxes available for municipal purposes | \$ 12,599,998 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 721,650 | \$ 384,984 | \$ 13,706,632 |
| Sale of services | 134,499 | 71,218 | 64,169 | 935,007 | 110,796 | 58,686 | 3,856,883 | 1,444,024 | 6,675,282 |
| Income from portfolio investments | 366,729 | - | - | - | - | - | 46,450 | 60,660 | 473,839 |
| Contributed assets | 209,232 | - | - | - | - | - | 30,325 | 3,600 | 243,157 |
| Government transfers | 1,569,313 | - | - | - | - | - | - | - | 1,569,313 |
| Other revenue | 232,562 | 13,425 | - | 3,669 | 68,149 | - | 31,528 | 204,007 | 553,340 |
| | 15,112,333 | 84,643 | 64,169 | 938,676 | 178,945 | 58,686 | 4,686,836 | 2,097,275 | 23,221,563 |
| Expenses | | | | | | | | | |
| Salaries, wages and employee benefits | 2,153,389 | 788,139 | 49,312 | 1,076,639 | 1,500,196 | 398,168 | 536,854 | 263,096 | 6,765,793 |
| Contracted services | 1,422,170 | 2,164,824 | 35,466 | 239,479 | 458,430 | 1,255,026 | 42,810 | 685,206 | 6,303,411 |
| Supplies and materials | 119,981 | 172,307 | 1,069 | 7,584 | 150,312 | 85,703 | 2,886,403 | 171,277 | 3,594,636 |
| Interest and bank charges | 13,122 | 55,440 | - | - | - | - | - | 173,765 | 242,327 |
| Amortization | 302,386 | 304,001 | - | 10,523 | 1,379,581 | 118,808 | 239,325 | 599,562 | 2,954,186 |
| | 4,011,048 | 3,484,711 | 85,847 | 1,334,225 | 3,488,519 | 1,857,705 | 3,705,392 | 1,892,906 | 19,860,353 |
| Annual surplus (deficit) | \$ 11,101,285 | \$ (3,400,068) | \$ (21,678) | \$ (395,549) | \$ (3,309,574) | \$ (1,799,019) | \$ 981,444 | \$ 204,369 | \$ 3,361,210 |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

| December 31, 2020 | General Government | Protective Services | Solid Waste Management & Environment | Planning and Community | Transportation and Cultural | 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 | 34,676 | 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 | 34,676 | 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 | 371,772 | 501,161 | 246,959 | 6,464,823 |
| Contracted services | 1,142,483 | 2,353,591 | 49,480 | 152,989 | 556,533 | 1,226,600 | 39,141 | 612,474 | 6,133,291 |
| Supplies and materials | 122,798 | 150,657 | 1,665 | 8,517 | 181,657 | 81,355 | 2,478,957 | 177,186 | 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 | 104,652 | 222,485 | 580,605 | 2,935,746 |
| | 3,697,329 | 3,474,583 | 100,005 | 1,152,037 | 3,734,228 | 1,784,379 | 3,241,744 | 1,790,989 | 18,975,293 |
| Annual surplus (deficit) | \$ 16,671,179 | \$ (3,366,221) | \$ (62,345) | \$ (417,028) | \$ (3,617,031) | \$ (1,749,703) | \$ 772,348 | \$ 208,317 | \$ 8,439,516 |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

15. Budget data

The budget data presented in these financial statements is based upon the 2021 budget in Financial Plan Bylaw #1521, Schedule A passed by Council on May 3, 2021.

| | 2021 |
|----------------------------------------|--------------------|
| Revenues | |
| Taxes available for municipal purposes | \$ 13,622,300 |
| Water utility fees and charges | 3,435,100 |
| Sewer utility fees and charges | 1,470,800 |
| General sale of services | 1,056,000 |
| Income from portfolio investments | 440,000 |
| Government transfers | 1,529,400 |
| Other revenue | 201,700 |
| Total revenue | 21,755,300 |
| Expenses | |
| Interest and bank charges | 229,300 |
| Amortization | 3,448,000 |
| General operating fund | 14,794,950 |
| Water operating fund | 3,390,400 |
| Sewer operating fund | 1,192,800 |
| | 23,055,450 |
| Annual deficit before transfers | (1,300,150) |
| ALLOCATIONS | |
| Add | |
| Amortization expense | 3,448,000 |
| Transfers from reserve funds | 6,616,950 |
| Total additions | 10,064,950 |
| Deduct | |
| Principal payments on debt | 269,300 |
| Capital expenditures | 8,495,500 |
| Total deductions | 8,764,800 |
| Financial Plan balance | \$ - |

District of North Saanich

Notes to the Financial Statements

Year ended December 31, 2021

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.

18. Subsequent event

Subsequent to year end, the District, Victoria Airport Authority, and Town of Sidney entered into a Memorandum of Understanding to build a roundabout at the intersection of Beacon Avenue West and Galaran Road. The project cost will be shared according to an agreed upon formula with the Victoria Airport Authority and Town of Sidney each contributing 40% and the District 20%. The District's share is estimated at \$1,000,000 and has been included in the 2022-2026 Financial Plan Bylaw.

District of North Saanich

Supplementary Financial Information

Year ended December 31, 2021

UNAUDITED

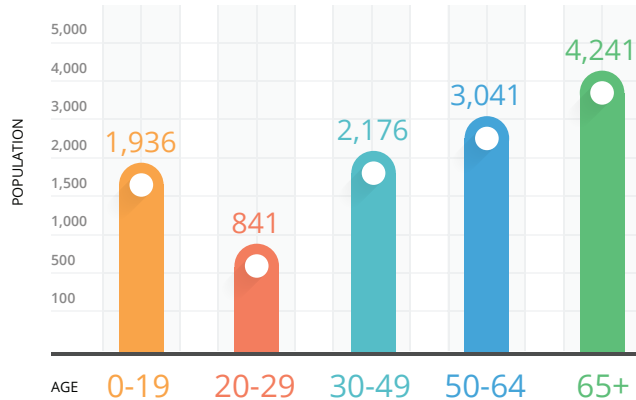
SCHEDULE 1: COVID-19 SAFE RESTART GRANT

The District of North Saanich received a \$2,711,000 COVID-19 Restart Grant for Local Governments in November, 2020. Please see the schedule below for a summary of the eligible costs incurred in 2021.

| | | |
|----------------------------------------|------------------|---------------------|
| Balance, year ending December 31, 2020 | | \$ 2,483,800 |
| Eligible 2021 costs incurred: | | |
| Revenue shortfalls | (535,850) | |
| General government | (79,530) | |
| Protective services | (116,178) | |
| Grants to other organizations | <u>(143,950)</u> | |
| Total eligible costs: | | <u>(875,508)</u> |
| Balance, year ending December 31, 2021 | | <u>\$ 1,608,292</u> |

Statistical Information

Population by Age (2021)



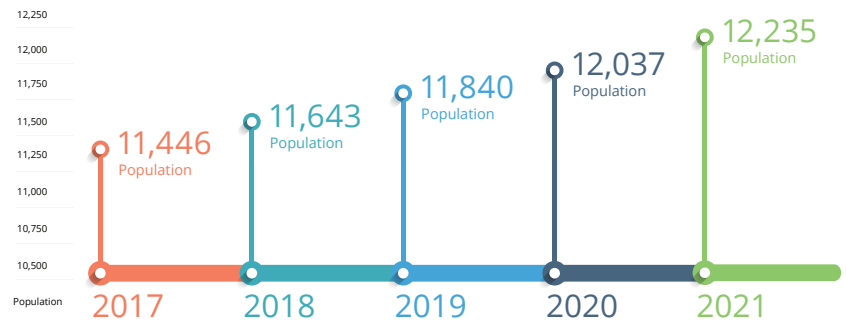
Education of population aged 25-64

| | |
|------|----------------------------------------------------------------------|
| 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

| 2017 | 2018 | 2019 | 2020 | 2021 |
|------|------|------|------|------|
| 3.9% | 4.0% | 3.4% | 5.8% | 4.3% |

Population by Year



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. Occupation and education estimates are based on 2016 Census as 2021 data not yet available. Population numbers are estimated based on District of North 2016/2021 Census information.

Statistical Information

Taxable Assessment of Land & Improvements (thousands)

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Residential | \$4,232,893 | \$4,875,157 | \$5,126,481 | \$5,077,694 | \$5,403,224 |
| Utilities | 709 | 699 | 713 | 806 | 670 |
| Light Industrial | 30,427 | 25,775 | 27,988 | 28,994 | 29,454 |
| Business / Other | 222,614 | 306,895 | 347,761 | 360,388 | 334,316 |
| Recreation / Non-profit | 55,922 | 56,239 | 60,825 | 63,350 | 61,202 |
| Farm | 3,119 | 3,102 | 3,056 | 3,073 | 3,110 |
| | \$4,545,684 | \$5,267,867 | \$5,566,824 | \$5,534,305 | \$5,831,976 |

Property Tax Levies (thousands)

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| District of North Saanich | \$12,372 | \$12,606 | \$12,683 | \$13,040 | \$13,707 |
| School Authorities | 7,780 | 8,259 | 8,946 | 7,242 | 9,040 |
| Regional Hospital District | 1,346 | 1,386 | 1,353 | 1,234 | 1,236 |
| Municipal Finance Authority | 1 | 1 | 1 | 1 | 1 |
| BC Assessment Authority | 239 | 258 | 257 | 272 | 282 |
| BC Transit Authority | 1,277 | 1,304 | 1,368 | 1,417 | 1,456 |
| Regional District | 2,896 | 2,992 | 2,985 | 2,984 | 3,389 |
| Total Property Tax Levies | \$25,911 | \$26,806 | \$27,593 | \$26,190 | \$29,111 |
| Total Property Taxes Collected* | \$25,964 | \$26,358 | \$27,877 | \$25,900 | \$29,553 |

*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 | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------|------|------|------|------|------|
|----------------|------|------|------|------|------|

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

| | | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Gross Outstanding Debt | \$8,315 | \$7,818 | \$7,549 | \$6,371 | \$6,102 |
| Actuarial Allocation | (1,020) | (1,291) | (1,409) | (634) | (784) |
| Net Outstanding Debt | \$7,295 | \$6,527 | \$6,140 | \$5,737 | \$5,318 |

| Debt Servicing Cost* | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------|------|------|------|------|------|
|----------------------|------|------|------|------|------|

| | | | | | |
|----------------------------------|----------------|--------------|--------------|--------------|--------------|
| Property Tax Supported | \$139 | \$139 | \$139 | \$139 | \$139 |
| Specified Area | 902 | 675 | 359 | 359 | 359 |
| Total Debt Servicing Cost | \$1,042 | \$814 | \$498 | \$498 | \$498 |
| Debt Capacity Available | \$9,705 | \$10,473 | \$11,860 | \$12,263 | \$13,682 |
| Population | 11,446 | 11,643 | 11,840 | 12,037 | 12,235 |
| Households | 4,706 | 4,782 | 4,858 | 4,934 | 5,010 |
| Net Debt per Capita | \$637 | \$561 | \$519 | \$477 | \$435 |
| Net Debt per Household | \$1,550 | \$1,365 | \$1,264 | \$1,163 | \$1,062 |
| Debt Servicing per Capita | \$91 | \$89 | \$42 | \$41 | \$41 |
| Debt Servicing per Household | \$221 | \$218 | \$103 | \$101 | \$99 |

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

| Construction | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|------|------|------|------|------|
|--------------|------|------|------|------|------|

| | | | | | |
|--------------------------------|----------|----------|----------|----------|----------|
| Building Permits | 224 | 192 | 167 | 188 | 222 |
| Construction Value (thousands) | \$69,596 | \$55,146 | \$33,257 | \$52,102 | \$67,157 |

Source: District of North Saanich Financial Services Department. Population and household information was estimated based on 2016/2021 Census information.

Statistical Information

| District Employees | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|------|------|------|------|------|
| Average part time | 7 | 7 | 6 | 6 | 9 |
| Average full time | 53 | 52 | 56 | 57 | 55 |

| Revenues by Type (thousands) | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net taxes available for municipal purposes | \$12,372 | \$12,606 | \$12,683 | \$13,040 | \$13,707 |
| Sale of services | 5,683 | 6,075 | 5,560 | 5,803 | 6,675 |
| Other revenue | 605 | 538 | 482 | 311 | 553 |
| Contributed assets | 9,403 | - | 5,658 | 3,148 | 243 |
| Investment earnings | 714 | 674 | 834 | 807 | 474 |
| Government transfers | 1,018 | 1,691 | 1,701 | 4,306 | 1,569 |
| | \$29,795 | \$21,584 | \$26,918 | \$27,415 | \$23,221 |

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)

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|----------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General government | \$3,182 | \$3,538 | \$3,383 | \$3,697 | \$4,011 |
| Protective services | 2,885 | 3,355 | 3,437 | 3,475 | 3,485 |
| Solid waste management and environment | 60 | 63 | 70 | 100 | 86 |
| Planning and community | 947 | 935 | 1,004 | 1,152 | 1,334 |
| Transportation | 3,230 | 3,097 | 3,368 | 3,734 | 3,488 |
| Parks, recreation and culture | 1,420 | 1,491 | 1,584 | 1,784 | 1,858 |
| Water utility | 2,856 | 3,152 | 3,132 | 3,242 | 3,705 |
| Sewer utility | 1,874 | 1,698 | 1,681 | 1,791 | 1,893 |
| | \$16,454 | \$17,329 | \$17,659 | \$18,975 | \$19,860 |

Expenses by Object (thousands)

| | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Salaries, wages and employee benefits | \$5,664 | \$5,660 | \$5,923 | \$6,465 | \$6,766 |
| Contracted services | 5,252 | 5,768 | 5,748 | 6,133 | 6,303 |
| Supplies and materials | 2,581 | 2,907 | 2,923 | 3,202 | 3,595 |
| Interest and bank charges | 538 | 328 | 240 | 239 | 242 |
| Amortization | 2,419 | 2,666 | 2,825 | 2,936 | 2,954 |
| | \$16,454 | \$17,329 | \$17,659 | \$18,975 | \$19,860 |

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)

| | |
|------|---------|
| 2017 | \$18.19 |
| 2018 | \$21.79 |
| 2019 | \$25.85 |
| 2020 | \$28.32 |
| 2021 | \$30.67 |

Acquisition of Tangible Assets (millions)

| | |
|------|---------|
| 2017 | \$12.32 |
| 2018 | \$3.40 |
| 2019 | \$7.82 |
| 2020 | \$9.25 |
| 2021 | \$4.07 |

Total Accumulated Surplus (millions)

| | |
|------|----------|
| 2017 | \$92.89 |
| 2018 | \$97.15 |
| 2019 | \$106.41 |
| 2020 | \$114.85 |
| 2021 | \$118.21 |

Revenues (millions)

| | |
|------|---------|
| 2017 | \$29.80 |
| 2018 | \$21.58 |
| 2019 | \$26.92 |
| 2020 | \$27.41 |
| 2021 | \$23.22 |

Revenue per Capita (thousands)

| | |
|------|--------|
| 2017 | \$2.60 |
| 2018 | \$1.85 |
| 2019 | \$2.27 |
| 2020 | \$2.28 |
| 2021 | \$1.90 |

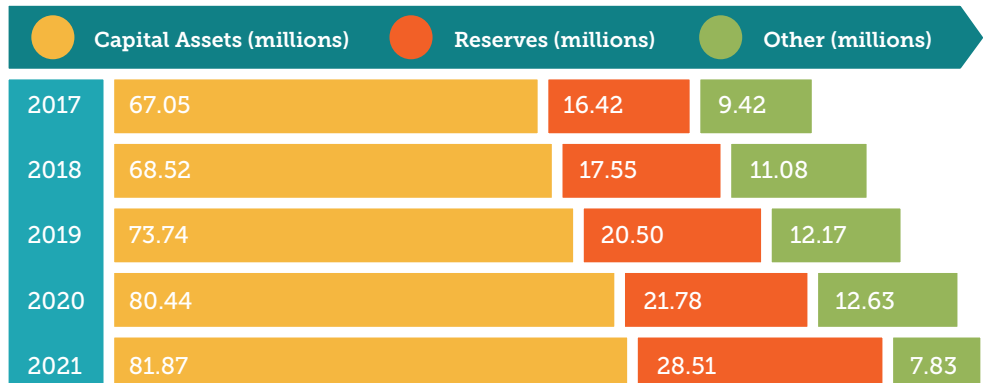
Expenses (millions)

| | |
|------|---------|
| 2017 | \$16.45 |
| 2018 | \$17.33 |
| 2019 | \$17.66 |
| 2020 | \$18.97 |
| 2021 | \$19.86 |

Annual Surplus (millions)

| | |
|------|---------|
| 2017 | \$13.34 |
| 2018 | \$4.26 |
| 2019 | \$9.26 |
| 2020 | \$8.44 |
| 2021 | \$3.36 |

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.