



Township of Esquimalt, British Columbia, Canada

2013 Annual Report

For the year ended December 31, 2013

Township of
ESQUIMALT



Mission Statement

Focusing on community priorities, the Township of Esquimalt works to make our community and environment a better place for today and the future.

Corporate Values

Accountability – we acknowledge and take responsibility for our actions, decisions and policies.

Integrity – we practice high standards of ethical behaviour and open communication that inspire trust.

Respect – we foster an environment of fairness where people are valued and treated with dignity.

Service – we strive to meet community needs and achieve high-quality results through teamwork, innovation and creativity.



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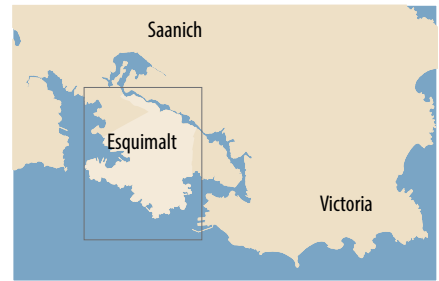


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Esquimalt: Fascinating History, Contemporary Outlook



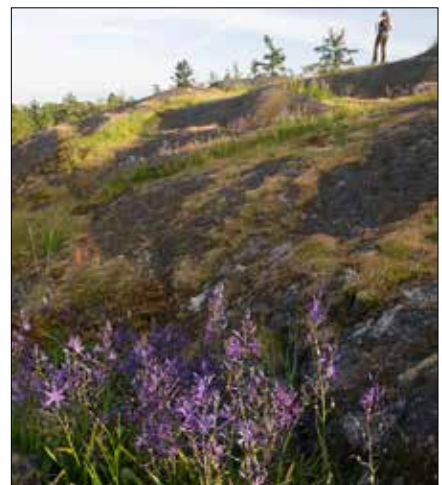
For the First Nations people who have resided here for centuries, Esquimalt means “place of gradually shoaling waters.” In fact, it was the quality of Esquimalt’s natural harbour which led to the community being selected as the site for the headquarters of the Royal Navy’s Pacific Squadron in 1865. Today, this same site serves as home to the Canadian Forces Base Esquimalt. The naval base is now the largest employer in Esquimalt, and the original town site has disappeared inside the boundaries of the Base.

The community is defined by the water and shores that surround it. It is comprised of a peninsula bounded on the south by the Juan de Fuca Strait, on the west by Esquimalt Harbour, and on the north by a long finger-like inlet of tidal water called the Gorge Waterway. Moving inland, the landscape is characterized by rocky outcrops and hills in the west and central areas, and relatively level lands to the south and north. The ocean shoreline is characterized by rocky headlands, coves and bays, and several beaches with public access.

Today, the compact community reflects on its fascinating history while maintaining a contemporary outlook as a vital and friendly municipality within the Capital Regional District.

Esquimalt Fast Facts

- The area now known as Esquimalt has been inhabited by Coast Salish First Nations for over 4,000 years.
- Esquimalt (pronounced Ess-KWY-malt) is an anglicized version of the First Nations word “es-whoy-malth,” which means the place of gradually shoaling waters.
- Year of incorporation: September 1, 1912.
- Esquimalt is home to approximately 17,000 residents living in over 8,300 dwellings.
- The municipality covers approximately 10 square kilometres (or 1,000 hectares).
- Esquimalt has over 40 hectares of parkland, many of these parks overlooking waterways along the Strait of Juan de Fuca and the Gorge Waterway.
- The Township is endowed with over 30 parks, beaches and green spaces.
- Esquimalt Gorge Park was first established in 1905 and was the site of the 2012 Community Centennial Celebration.
- The highest point in Esquimalt is 71 metres at Highrock Park.



Mayor's Message



On behalf of Esquimalt Council, I am proud to share highlights of the Township's accomplishments in 2013.

The year was challenging for the Township, but we made great strides on some very important issues and initiatives. Here is a snapshot of 2013.

Economic Development To invest in our future, we completed our Economic Development Roundtables, which gathered input from a variety of community sectors on opportunities for and obstacles to future economic development. In 2014, a larger community economic development forum will be held at which time residents will have an opportunity to review the work of the roundtables and provide input into the development of an Economic Development Strategy.

Community Safety We worked hard on community safety in 2013 and now have a new Department of Community Safety Services, and we expect to finalize our agreement with the Victoria Police Department in 2014.

Centennial Legacy Our centennial legacies continued with Memorial Park improvements, the Bloomin' Beautiful Home and Garden Contest, and the recognition of our centennial book by Heritage BC.

Key Projects and Public Consultation Important planning was completed for our new Solid Waste Management Program and the Admirals Road Corridor Improvement Project in 2013. Aside from the hard work by staff on the technical side of these projects, we also reached out to the community through information sessions to ensure residents were kept fully informed and engaged. This hard work ensures that these initiatives will go ahead in 2014.

Community United Township Council voiced immediate opposition to the proposed Viewfield Biosolids Treatment Centre in March of 2013. This opposition was on the basis of no public consultation by the Capital Regional District on the siting and purchasing of the property, and inadequate technical review and research. The CRD abandoned the location as a result of our community coming together in a single voice of opposition. I am thankful to residents and our regional neighbours for their diligence and concern.

Fiscal Responsibility With input from residents, and through careful analysis and tough decisions, we kept the 2013 tax increase to 0%, and we decreased taxes for business owners. Our message was clear: Esquimalt is open for business. The reduction in taxes to business property owners reflects our commitment to community economic development as stated in our strategic priorities.

The Esquimalt Village Project This important project moved ahead on a number of fronts. We completed several studies to provide a basis for decision-making, including an archaeological study, a geotechnical study and an environmental assessment. This information will help Council move forward with this initiative, which is clearly linked to economic development in the community.

I'd like to thank my Council colleagues, Township staff, our municipal committees and residents of Esquimalt for their ongoing commitment to making the community the best that it can be.

A handwritten signature in black ink that reads "Barbara Desjardins". The signature is written in a cursive, flowing style.

Barbara Desjardins
Mayor of the Township of Esquimalt

Mayor and Council



Barb Desjardins - Mayor

Appointments

Capital Regional District Board / Hospital Board
Capital Regional District Core Area Liquid Waste Management Committee
Capital Regional District Environmental Services
Capital Regional District Finance and Corporate Services Committee
Capital Regional District Planning, Transportation and Protective Services Committee
Capital Regional District Solid Waste Advisory Committee
Capital Regional District Transportation Select Committee
Greater Victoria Harbour Authority
Greater Victoria Labour Relations Association
Local Government Treaty Committee (Te'Mexw Treaty Advisory Committee)
Victoria Police Board
Victoria Regional Transit Commission

Internal Appointments

Department of National Defence Liaison



Esquimalt Mayor and Council 2011 - 2014

The Mayor and Council of the Township of Esquimalt were elected for a three-year term in November 2011. Mayor and Council create bylaws and policies, approve the municipal budget, and serve on various committees within the municipality and region.



Meagan Brame - Councillor

Appointments

Capital Regional District Arts Committee
School Liaison

Internal Appointments

Advisory Planning Commission Liaison
Esquimalt Together Against Graffiti (ETAG)



David Hodgins - Councillor

Appointments

Capital Regional Housing Trust Fund Commission
Capital Regional Water Supply Commission

Internal Appointments

Buccaneer Days Committee
Parks and Recreation Advisory Committee



Lynda Hundleby - Councillor

Appointments

Capital Regional District Board
(Alternate)
Capital Regional District Environmental Services
Committee (Alternate)
Capital Regional District Finance and Corporate Services
Committee (Alternate)
Capital Regional District Inter-Municipal Climate Action
Steering Committee
Capital Regional District Planning, Transportation and
Protective Services Committee (Alternate)
Capital Regional District Solid Waste Advisory
Committee (Alternate)
Greater Victoria Public Library Board
Local Government Treaty Committee (Te'Mexw Treaty
Advisory Committee) (Alternate)

Internal Appointments

Heritage Advisory Committee
Local Grants Committee



Robert McKie - Councillor

Appointments

Capital Regional Emergency Services
Telecommunications (C.R.E.S.T.)
Capital Regional District Water Supply Commission
(Alternate)

Internal Appointments

Celebration of Lights Committee
Local Grants Committee
Parks and Recreation Advisory Committee



Tim Morrison - Councillor

Appointments

Capital Regional Emergency Services
Telecommunications (C.R.E.S.T.) (Alternate)
Greater Victoria Labour Relations Association
(Alternate)
Victoria / Esquimalt Harbour Society

Internal Appointments

Advisory Planning Commission Liaison
Environmental Advisory Committee
Local Grants Committee



David Schinbein - Councillor

Appointments

Greater Victoria Harbour Authority
(Member Representative)
Municipal Insurance Association of British Columbia

Internal Appointments

Environmental Advisory Committee
Heritage Advisory Committee

Message from the Chief Administrative Officer



It is my pleasure to present the Township of Esquimalt's 2013 Annual Report on behalf of Corporate Administration.

Strategic planning at the beginning of the year shaped our priorities for 2013. The year's focus was on the Township's future, and completing ongoing strategic initiatives.

Economic development was at the forefront and significant progress was made in moving towards the completion of a comprehensive economic development strategy. Our Development Services Department held a series of roundtables that were well attended by local stakeholders from a variety of sectors. We are now in a prime position to move ahead with public consultation on our Economic Development Strategy in 2014.

Preparation work continued on the Esquimalt Village Project with completion of archaeological, historic land titles, geotechnical and environmental studies. Significant staff resources were required for the review of proposals and negotiation of mitigation and community amenity agreements related to the McLoughlin Point zoning bylaw amendments. Imminent changes to the collection of solid waste and kitchen scraps required significant planning during the year including the purchase of new equipment, development of informational materials and public information sessions to ensure successful implementation in 2014. Grant funding to facilitate the upgrade of the Admirals Road corridor was announced and initial public consultation on preliminary design was undertaken so that construction could commence in 2014.

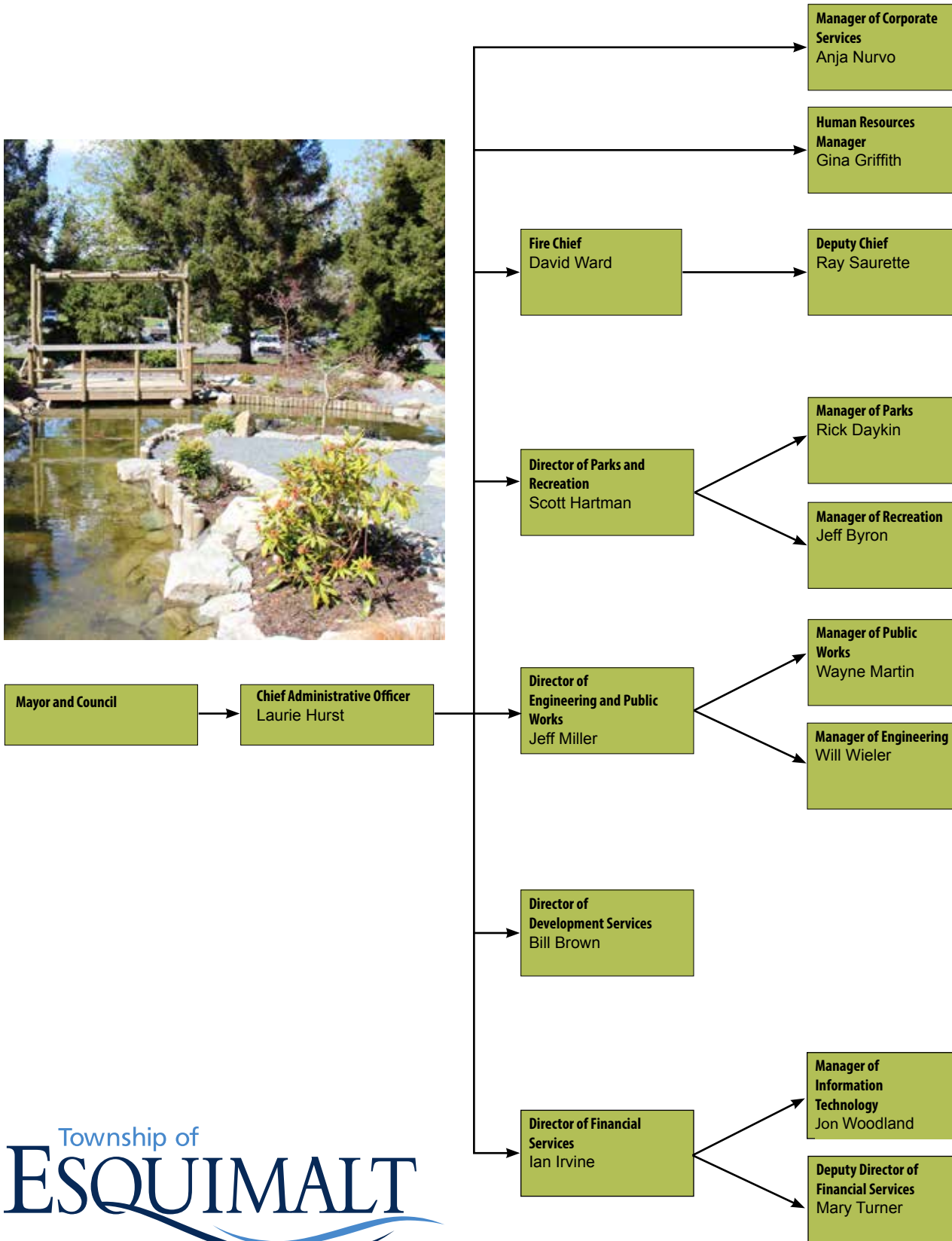
As part of ongoing service delivery assessment, a significant reorganization was undertaken with the creation of a new Community Safety Services Department. The reorganization centralized emergency planning, bylaw enforcement, police liaison and building inspection under the new department and moved sustainability to Development Services. The new department will result in enhanced community engagement on public safety issues and a more coordinated approach to organizational and community resources. The reorganization creates functional efficiencies in a number of departments to meet evolving and ever increasing operational needs.

With fiscal responsibility as a priority, the professional and motivated staff of the Township were able to make significant progress on these initiatives in addition to normal operations without increasing costs to residents.

A handwritten signature in black ink, appearing to read 'A. Must'.

Chief Administrative Officer

Organizational Chart



Township Strategic Priorities

In January 2012, Council held a workshop to set short-term strategic priorities and longer-term strategic directions. A draft report was prepared, which was released for public input and circulated for review and comment to management staff and Council Advisory Committees. The finalized 2012 Strategic Priorities Report was approved by Council on May 7, 2012. This report is intended to be reviewed regularly to ensure it remains consistent with Council's priorities. As a part of this workshop, Council commenced a process to regularly set, monitor and adjust short-term strategic priorities.

Updating Township Strategic Priorities

On January 26, 2013, Council and the Chief Administrative Officer held a workshop to update the Strategic Priorities Report. The workshop process involved the following steps:

- (1) Reviewing existing Strategic Priorities Chart to determine which items can be removed as either completed or incorporated into day-to-day operations.
- (2) Reviewing the remaining items to determine whether there is any change in priority due to new information, changing conditions or internal capacity issues.
- (3) Identifying current and emerging issues that have arisen in our community during the past year, due to changing external and internal influences, and determine whether they should be included as strategic priorities at this time.
- (4) Determining whether items are "Council Priorities" (requiring political attention) or "Operational Strategies" (to be dealt with by staff with Council's oversight).
- (5) Assigning responsibility for implementation of priorities to appropriate departments.

Strategic Priorities Chart

The preparation of a 'Strategic Priorities Chart' is an important part of the strategic planning process to translate plans into action and to assign responsibility for priorities and strategies with target dates for regular monitoring and updating.

The updated chart on the following page provides a summary of short-term matters requiring attention. It will be used by staff to prepare a draft budget and financial plan for Council's consideration, and to develop departmental work programs. It is also intended that Council's Advisory Committees will ensure that their annual work plans are focused on assisting Council and staff achieve these strategic priorities. The Strategic Priorities Chart is a living document that is reviewed regularly to make adjustments, update priorities and celebrate achievements.



Township of Esquimalt
STRATEGIC PRIORITIES CHART

COUNCIL PRIORITIES: “SHAPING OUR FUTURE”

<p>NOW (Not listed in priority order)</p> <ul style="list-style-type: none"> • POLICING: Framework Agreement • WASTE RESOURCE MANAGEMENT • ECONOMIC DEVELOPMENT STRATEGY • MULTI-MODAL TRANSPORTATION • SUSTAINABILITY IMPLEMENTATION • ESQUIMALT VILLAGE PROJECT: Provincial Environmental Certification 		<p>mid March Ongoing September Ongoing Ongoing October</p>
<p>NEXT (Not listed in priority order)</p> <ul style="list-style-type: none"> • ESQUIMALT VILLAGE PROJECT: Zoning Bylaw/Public Hearing (Oct) • THREE-YEAR TAX PLAN (June) • YOUTH COMMUNITY ENGAGEMENT (Ongoing) 		<p>ADVOCACY</p> <ul style="list-style-type: none"> • <i>Regionalization of Policing</i> • <i>Connected Multi-Modal Transportation</i>
<p>OPERATIONAL STRATEGIES (CAO/Staff)</p>		
<p>CHIEF ADMINISTRATIVE OFFICER POLICING: Framework Agreement (draft mid March)</p> <ul style="list-style-type: none"> • Service Delivery Assessment (Ongoing) • Performance Management (Ongoing) 	<p>PLANNING ESQUIMALT VILLAGE PROJECT: Provincial Environmental Certification (Oct) ECONOMIC DEVELOPMENT STRATEGY (June Community Meeting / Sept Final Strategy) ESQUIMALT VILLAGE PROJECT: Zoning Bylaw/ Public Hearing (Oct)</p> <ul style="list-style-type: none"> • Official Community Plan Review (2014) • Zoning Bylaw Review (2015) 	
<p>COMMUNICATIONS</p> <ul style="list-style-type: none"> • Website Refresh – Council focus group (May) • Centennial Legacy Project – Centennial Books (Ongoing) • Public Engagement (Ongoing) 	<p>FINANCE THREE-YEAR TAX PLAN (June)</p> <ul style="list-style-type: none"> • Tax Incentives Policies (Sept - part of Economic Development Strategy) • Internal Service Level Review (Sept) • Orientation to Finance Functions (Sept) 	
<p>ENGINEERING WASTE RESOURCE MANAGEMENT (Ongoing) MULTI-MODAL TRANSPORTATION (Ongoing)</p> <ul style="list-style-type: none"> • Infrastructure Priorities: Chart (Dec) • Sidewalk Continuity Plan (Oct) • Manhole Separation Program (Dec) 	<p>CORPORATE SERVICES SUSTAINABILITY IMPLEMENTATION (Ongoing) Council Chamber Efficiencies (Aug) Committee Alignment with Strategic Plan (end Feb)</p> <ul style="list-style-type: none"> • Bylaw Enforcement (Ongoing) • Bylaw Review: Targets List (next group Oct) • Records Management: Paperless Agendas (July), Update (Ongoing) 	
<p>RECREATION YOUTH COMMUNITY ENGAGEMENT (Ongoing) Continue to Promote Healthy Esquimalt (Ongoing)</p> <ul style="list-style-type: none"> • Special Events Management Strategy (Oct) • Urban Forest/Greenway Management (2014) • Infrastructure Renewal Strategy (Dec) • Recreation Centre: Energy Upgrade (Mar) • Macaulay Point Park Species Protection (Apr) • Centennial Legacy Projects – Walkway & ‘Esquimalt Shines’ (Ongoing) 	<p>FIRE SERVICES</p> <ul style="list-style-type: none"> • Business Continuity Plan: Emergency Program Community Education (Ongoing, 2014) • Underwriter Survey (May) • Strategic Emergency Plan (Oct) • Seniors Fire Safety Public Education Program (June) • Safe Community: Operational Audit (Oct) 	

CODES: BOLD CAPITALS = Council NOW Priorities; CAPITALS = Council NEXT Priorities; Regular Title Case = Operational items; *Italics* = Council *ADVOCACY* items

Updated as of January 26, 2013

We Value our Environment

We use our energy, skills, and resources to protect and nurture community assets for the greater good of all residents. We think and work locally, but our actions and results have global impact.

With majestic waterways, Garry oak uplands, quiet coves, and serene forested parks, Esquimalt's environment inspires us to conserve and protect our many assets. The Township works to minimize its impact on the environment and provide community leadership on environmental initiatives in a number of ways.

Climate Action

As a signatory to the BC Climate Action Charter, the Township is committed to community energy efficiency, to becoming carbon neutral in its operations, and reporting publicly on its progress toward meeting its climate action goals.

In 2013, the Township produced 1,038 tonnes of greenhouse gas (GHG) emissions from its municipal operations with 72% coming from buildings and the remaining 28% from fleet vehicles and equipment. The Township received a Carbon Tax Grant of \$28,200 in 2013 which is deposited to the Sustainability Reserve Fund used to help fund future projects at reducing GHG emissions.

Electric Vehicle Technology

The Township received funding through the provincial Community Charging Infrastructure Fund for the installation of two electric vehicle charging stations in the parking lot next to the Esquimalt Municipal Hall and Library. The charging station is currently being offered as a free service to residents and visitors.



The Township also purchased its first 100% electric battery-powered vehicle for the municipal fleet – a 2012 Nissan Leaf. The vehicle is a valuable addition to the fleet, and helps staff members reduce GHG emissions while they go about their work. The vehicle is also used at community events to initiate discussions on the environment and greenhouse gases.

Cycling Inventory & Map

A team of Camosun College students conducted an inventory of the cycling infrastructure in Esquimalt during 2013 as part of the CRD Ready, Set, Solve Program and won first place out of 18 teams. Research findings from the students revealed that the

Township has 4.56 kilometres of bike lanes, 42 bike racks, 124 bicycle signs and a total of 303 bike parking spots. The data collected from this project will help the municipality plan future cycling infrastructure in the context of an overall multi-modal transportation strategy.

Building on the Ready, Set, Solve Program, staff designed a draft Esquimalt Cycling Riders Map as part of a pilot study with the CRD. The map was launched and feedback gathered at the Bike to Work Week Celebration when more than 140 cyclists visited Esquimalt Memorial Park. The map is available on the Township website.



Green Event Guide

During the year, the Township made progress in developing a Green Event Planning Guide. The guide will share the knowledge and experience gained by staff and members of the Environmental Advisory Committee on applying green principles to community events. The guide, designed as a resource for organizers of Township or community events, will cover venue selection, transportation planning, procurement guidelines, food services and waste diversion.



Earth Day Celebration at Highrock Park

The Township celebrated Earth Day in 2013 by hosting a community clean-up and planting event at Highrock Park. The project involved invasive species removal, tree planting of native species, and a park clean-up. Local schools, residents, Township staff, businesses and organizations all pitched in.



Invasive Species Management Strategy at Macaulay Point

The spread of invasive plant species at Macaulay Point Park has negatively impacted species at risk, sensitive habitats and recreation opportunities at this popular seaside park. An *Invasive Species Inventory and Treatment Plan* was developed by the Parks Department to address these concerns, and a removal program was completed during the year.



Reference to Strategic Priorities

Climate Action - Council Priority of Sustainability Implementation

Electric Vehicle Technology - Council Priorities of Sustainability Implementation and Multi-Modal Transportation

Cycling Inventory & Map - Council Priorities of Sustainability Implementation and Multi-Modal Transportation

Green Event Guide - Council Priorities of Sustainability Implementation and Waste Resource Management

Invasive Species Management Strategy at Macaulay Point - Council Priority of Sustainability Implementation and Operational Strategy (Parks and Recreation)

A Focus on Community

Focusing on community priorities, the Township of Esquimalt works to make our community and environment a better place for today and the future.

Arts and Culture

The Township once again hosted the popular Esquimalt Arts Festival in 2013. The festival was made possible through a partnership with the Esquimalt Residents' Association and held in conjunction with the Gorge Swim Fest at Esquimalt Gorge Park.

The Parks and Recreation Department hosted a variety of special events during the year, including a busy September 12th weekend when the Esquimalt Ribfest, the Cars, Rides and Rods Show, and a concert featuring rock legends Bad Company and Chilliwack were all hosted at Bullen Park. Earlier in the year the Steve Miller Band was in concert at the Archie Browning Sports Centre, the first time a major concert was hosted inside the centre.

The department also hosted the 2nd Annual Blue Bridge Comedy Festival over six days (September 24 – 29) in Esquimalt and throughout the Greater Victoria area. The festival was expanded to include nine venues, 27 shows and 17 comedians. Esquimalt hosted four shows: two at Esquimalt High School, one at L'ecole Victor Brodeur and one at the Fleet Club. In total 1500 people attended the festival.

Heritage

Esquimalt welcomed a new building to its listing of designated buildings when the English Inn Manor House was designated a heritage site. The Esquimalt Community Heritage Register continued to grow with several more properties and features added during the year, the most notable

being Fort Macaulay, located in Macaulay Point Park and overlooking Victoria Harbour. Fort Macaulay is a military fortification dating back to 1893 which today offers visitors breathtaking views as well as a fascinating look into our military past.

The Centennial Heritage Banner—emblematic of Esquimalt's Centennial 2012 by honouring the past in a very contemporary way—was also installed at the Esquimalt Branch of the Greater Victoria Public Library. The banner was developed as part of the 2012 centennial celebrations by local artist David Sudbury with support from Council and the Township's Heritage Advisory Committee. It features ten selected heritage sites highlighted with photographs on a large scale aerial photograph of the Township.



The Centennial Heritage Banner was on display in the Municipal Library throughout 2013.

Centennial Legacies

The Centennial Book *Esquimalt Centennial 1912 to 2012* received an Award of Honour from Heritage BC. Author Sherri Robinson and Centennial Committee Vice Chair Bruce Devitt were presented with the award at a Council meeting on November 18th, 2013.

Memorial Park was refurbished with a new central walkway matching the shoulder entryways constructed as part of Centennial 2012. The central walkway features a poppy paver design in front of the cenotaph, and new heritage-themed pillars at the main entrance. Inscribed pavers for installation in the shoulder walkways were offered for sale throughout the year and 32 of the pavers were installed in the fall of 2013.

The second annual home and garden contest, Bloomin Beautiful,



was held in 2013 with 75 entries in the following categories: best large garden, best environmental practices, best façade, best small garden, and best curb appeal. An awards ceremony was also held for the contest—which was launched during Centennial 2012—with some 80 people in attendance.

Reference to Strategic Priorities

Centennial Legacy Projects - Operational Strategies (Communications and Recreation)

Esquimalt Village Project - Council Priorities

Esquimalt Village Project

Development Services staff continued setting the groundwork for the Esquimalt Village Project, which was supported by 69% of residents in a 2011 referendum question. The project would include a mix of residential, commercial and civic uses in two buildings, one of which may be up to 12 storeys in height, on the site of the old municipal hall and old public works yard. A number of project studies were completed during the year including: 1) an archaeological study, 2) a geotechnical study, and 3) an environmental study.

Neighbourhood Block Parties

The Neighbourhood Block Party Kit was introduced in 2013 as a way to celebrate Esquimalt and its neighbourhoods, and to encourage a sense of community. Two neighbourhoods, Arcadia and Craddock Street, were awarded a gift certificate from Country Grocer, a recreation fun-leader and the new event trailer for their block parties.



Township Operations: A Commitment to Service Excellence

Guided by Council's strategic priorities, our team of employees strive to meet the needs of our community and achieve high quality results through innovation, creativity and teamwork. We continually seek new ways to improve our customer service delivery through technology and by eliminating duplication. We believe in open communication and a respectful workplace.

Corporate Services

The Corporate Services Department is comprised of staff members involved in administration, legislative matters, (Council and its Committees), communications, archives, and business licensing. It provides internal and external communications support, administrative support and records management.

In 2013, the department worked on a number of initiatives in support of Council priorities, including:

- Improving the efficiency of Council chambers for councilors, presenters and the public (working with information technology manager).
- Updating the Bylaw Enforcement Policy utilizing a risk management grant from the Municipal Insurance Association.
- Reviewing, revising or replacing several regulatory bylaws identified by Council.
- Conducting initial research on paperless agenda and webcasting options.

- Refreshing content on the corporate website and adding tools and features to enhance public engagement.
- Promoting the 2012 Centennial Book through online and print media.

In addition, the department updated and reviewed several Council policies and staff members continued as committee staff liaisons and recording secretaries for several Advisory Committees.

Municipal Archives was busy on a number of fronts, including continuing the acquisition of new historical materials, assisting the media and Township staff with research and background, and fielding information requests from a variety of sources.

Corporate communications held a focus group session with Council to gather input on a website refresh and also posted a website survey to gather public input on website use.

This information was used in adding

new tools and features to the website in 2013. The communications program continued with public engagement through social media, increasing resident involvement in Township initiatives.

Financial Services and Information Technology

The Financial Services and Information Technology Department is responsible for management of the Township's financial affairs and technology requirements to ensure public accountability and transparency while supporting the strategic objectives established by Council.

The Financial Services Department is the public's first point of contact at the Municipal Hall and addresses all general enquiries. The department is responsible for overall cash management including property tax collection, payment of payroll and benefits to municipal staff and cheque payments issued by the Township. Additionally, staff members assist residents with property tax payments, deferrals and home owner grant applications, and are responsible for processing business and dog licences, permits, and commercial vehicle licences. All transactions occur within a system of internal controls designed to safeguard assets, ensure transactions are properly authorized and provide accurate and timely financial information.

Reference to Strategic Priorities

Bylaw Review – Operational Strategy

Paperless Agenda Project – Operational Strategy

Public Engagement – Operational Strategy (Communications)

Centennial Book Promotion – Operational Strategy (Communications)

Township Operations (continued)



Each year, financial services leads the process to develop a five year financial plan that outlines the level of services and assets to be provided within the Township. This plan, developed by senior management with input from the public, is approved by Council each year. This process involves the calculation of annual tax levies required to generate sufficient revenues in support of current operations. Additionally, the adequacy of reserve fund balances is assessed to ensure fiscal sustainability and funding for future projects.

The Township's financial statements, prepared in accordance with generally accepted accounting principles and the recommendations of the Public Sector Accounting Board, are audited annually. As well, the department provides timely financial information to Council and senior management for their review and analysis and to the public as requests are received.

The Information Technology Department is responsible for the design,

deployment, management and support of services to enable the efficient use of technology for business functions. This includes all computer network hardware and software, security systems, telephone systems, cellular phones, wireless technologies, mobile applications and audio/video presentation systems, at all municipal locations. Staff members are also responsible for backup and replication of systems and data for business continuity and disaster recovery.

Engineering and Public Works

Esquimalt Engineering and Public Works maintains, upgrades and develops municipal infrastructure, including roads, sidewalks, traffic installations, and sewers in a cost effective manner. The department also manages the Township's refuse collection, fleet services and building maintenance. Esquimalt Engineering focuses on new developments, infrastructure and planning, while Public Works ensures the smooth operation and maintenance of existing infrastructure.

Engineering Department Highlights:

- Carried out a detailed site investigation for soil contamination and remediation on Esquimalt Village Project lands in Town Square.
- Completed preliminary design of Admirals Road as part of the Admirals Road Corridor Improvement Project. Two open houses were held to present information on the project and provide an opportunity for input.
- Upgraded Dunsmuir Road from Head Street to Garrett Place. Work included repairing a sink hole, adding new storm, water and gas mains, constructing new sidewalks where required, repaving the roadway, and adding landscaping.
- Carried out preliminary design for signal upgrade at the Old Esquimalt Road/Lampson Road/Head Street Intersection.
- Completed preliminary engineering work on the rebuild of Fairview Road from Devonshire to Viewfield Road. Work included acquisition of right-of-way



Township Operations (continued)



Public Works employees distributing food at the 2014 Christmas Food Drive.

for new sidewalk and road alignment, inspection of underground mains, and preliminary design of the road structure.

- Worked with the Capital Regional District to ensure that E & N trail crossings (Intervale, Hutchinson, Lampson, and Devonshire) met Township requirements.
- Completed asset management activities including maintenance of recorded information and infrastructure maintenance planning.
- Carried out a review of new development projects.

Reference to Strategic Priorities

Esquimalt Village Project Site Investigation - Council Priority

Admirals Road Preliminary Design – Council Priority Multi-Modal Transportation

Preparation and Planning: New Garbage Collection Program - Council Priority Waste Resource Management



Portland Loo at the West Bay Walkway.

Public Works Department Highlights:

- Completed preparatory and planning work for a new curbside/ kitchen scraps garbage collection program.
- Constructed new sidewalk along Coles Street from Admirals Road to Kindersley Road as part of the Capital Sidewalk Program.
- Installed new street lighting along the entryway of Esquimalt Gorge Park.
- Installed a new Portland Loo washroom at the West Bay Walkway.
- Separated 14 combination manholes for the sanitary and storm water collection systems.
- Replaced two pumps at the Grafton Sanitary Pump Station.
- Coordinated the wrapping of all Township above ground cabinets with anti-graffiti materials and worked with other utility providers on anti-graffiti wraps.
- Upgraded lighting systems in Municipal Hall and the Public Works Building to reduce electrical consumption.

In addition, the department completed line marking, street sweeping and snow and ice control as required.

Development Services

Development Services is responsible for ensuring that planning for Esquimalt's future responds to the myriad of forces that shape its community fabric.

The Township continued working with sector roundtables in 2013 as part of finalizing an Economic Development Strategy aimed at creating a vibrant made-in-Esquimalt economy that attracts new business.

Eight roundtables with local stakeholders were completed during the year: small business, tourism, development, education/training, ship repair and defence, environment, arts and culture, and health and wellness. Information from the roundtables was collated by staff and will provide the basis for a community-wide consultation in the spring of 2014.

Numerous background studies were completed in support of the Esquimalt Village Project that will form the foundation for future development. These studies included:

- An archaeological study that concluded that there is a low chance of finding First Nations' artifacts on the site.
- A geotechnical study that concluded that soil conditions were suitable for the type of development proposed including the construction of a 12 storey building.
- An environmental study which determined that the site will



need some environmental mitigation work. A mitigation plan will be prepared in 2014.

- A Land Title Analysis to ensure that none of the land had any development constraints based on the Land Title system. Through this study it was determined that the lot to the south of 1237 to 1243 (currently used as parking for the Emergency Services Building) can only be used for a lane and is therefore not developable at this time.

In addition, area site boundaries were surveyed and two new reference plans will be registered in the Land Title Office in 2014.

The department also provided processing and planning expertise on a number of significant projects, including:

The Legion. Council held a public hearing for this project and subsequently gave the rezoning bylaw

third reading. The department is waiting for the applicant to fulfill a number of conditions prior to returning the bylaw to Council for adoption.

The English Inn. The rezoning for the English Inn was processed and completed. The new zoning protects the heritage values of the establishment while providing the developer with the opportunity to subdivide the parcel to allow development of the south and east sectors of the parent parcel.

Core Area Liquid Waste Management Plant. The department spent significant time processing the Capital Regional District's rezoning application to allow for the development of a Core Area Liquid Waste Management Plant at McLoughlin Point.

During the year the department laid important groundwork for a major review of the Official Community Plan, which will be undertaken in the fall of 2014 and the spring of 2015.

Reference to Strategic Priorities

Economic Development Roundtable - Council Priority Economic Development Strategy

Background Studies Esquimalt Village Project – Council Priority and Operational Strategy

Preliminary Work on Official Community Plan Review - Operational Strategy

Township Operations (continued)

Parks and Recreation

Esquimalt is a compact community with a wealth of parks and recreation opportunities maintained and operated by the Parks and Recreation Department. The department provides services in three main areas: 1) parks and sports fields, 2) recreation, leisure and fitness programs for all ages, and 3) facility rentals.

Department programs and services generate revenue directly through user fees, but additional economic activity is also generated from the department staging sporting and special events in the community, such as the Victoria Curling Classic, concerts and the LifeMark Esquimalt 5k Fun Run and Walk. In 2013 there were 248,659 visits to Parks and Recreation Department services and programs.

Department Highlights 2013

- The second annual home and garden contest, Bloomin' Beautiful—expanded to include new categories—was organized and promoted by the department.
- New lighting was installed at Esquimalt Gorge Park, and a secondary entrance to the Japanese Garden was constructed.



- A new three-year lease for Macaulay Point Park was signed with the Department of National Defence and staff members worked to eradicate invasive species in the park as part of the *Invasive Species Management Strategy*.
- A new entrance was built at Memorial Park with stone pavers, new lighting and new storm drains.
- Department staff members—working alongside volunteers, community organizations, First Nations, and youth groups—provided support for some 15 Township events.
- The department introduced the Neighbourhood Block Party initiative, which encourages a healthy and age-friendly community and provides an op-

portunity for neighbourhoods to get together, have fun, and work together on common activities.



Reference to Strategic Priorities

Macaulay Point Park Species Protection – Operational Strategy

Centennial Legacy Projects (Home and Garden Contest and Memorial Park Walkway Upgrades) - Operational Strategy

- The department expanded its joint use agreement with L'École Victor Brodeur to include use of the gym at the Lampson Street School.
- A renovation of the Esquimalt Recreation Centre began in August of 2013 and will be completed in 2014. The renovation includes an updated atrium, seniors centre, front entrance and reception area, and a new multipurpose room.
- Two historic Garry oaks located on the west grounds of the Esquimalt Municipal Hall property got a new lease on life in June thanks to a root invigoration treatment. The treatment consisted of applying high pressure air to loosen the soil, and adding compost, mulch and nutrients to the soil layer surrounding the roots. The treatment will improve the health of the trees, which were a part of the landscape before the municipality was incorporated in 1912.



Fire Department

The Esquimalt Fire Department provides a variety of services to Township residents including medical first responder, fire investigation, fire prevention, confined space rescue, public education, hazardous materials response and fire suppression. Esquimalt Fire Rescue maintains mutual aid agreements with Victoria, Saanich and CFB Esquimalt for fire response and training.

In 2013, Esquimalt Fire Rescue responded to 1,140 incidents (up from 1,067 in 2012). This included nine structure fires (up from four in 2012), most significant of which was the loss of the Tudor House Pub on Esquimalt Road.

Department Highlights 2013:

- Esquimalt Fire Rescue elected to become an active participant and strong proponent of the Provincial Smoke Alarm initiative, which involves assisting members of the public to maintain and install working smoke alarms in private residences. The smoke alarm program and by-law were amended to endorse the use of battery-operated smoke alarms in residences to complement existing hardwired devices. The department keeps a stock of battery-operated

smoke alarms for those residents in need.

- The department worked with the sustainability coordinator to educate the community with respect to the potential hazards of old oil tanks.
- Two information sessions were held during the year as part of the *Senior's Fire Safety Public Education Program*



Township Operations (continued)

Emergency Program

The Esquimalt Emergency Program includes municipal staff members, protection services (police, fire, and ambulance), and volunteers. The program is responsible for emergency planning, training, public education, activating the municipal Emergency Operations Centre and liaising with provincial emergency management organizations.

Through the Neighbourhood Emergency Preparedness Program some 50 people—local residents as well as local workers—attended informational presentations to enhance their preparedness. In addition to this, and unique to Esquimalt, Disaster First Aid and Light Urban Search and Rescue courses were also offered during the year.

Emergency Social Service (ESS) volunteers participated in two exercises during 2013. The first was a secondary site reception centre at St. Peter and St. Paul Parish in which mock evacuees participated. During Emergency Preparedness Week, volunteers also participated in a regional emergency exercise activating an emergency reception centre in Oak Bay.

The ESS team was activated for the Tudor House fire in Esquimalt on July 16, offering a comfort centre on a BC Transit Bus for nine tenants of an apartment building adjacent to the fire. The team also provided

support at a single unit fire in July where two people were evacuated.

The Emergency Radio Communications group met weekly to practice systems with other teams in the Greater Victoria area, and participated with ESS in Emergency Operations Centre exercises. The radio group supported several regional events during the year, including the Times Colonist 10k, the Swiftsure International Yacht Race, and the CARHA Pacific Cup tournament.

Designated Emergency Operations Centre personnel completed 36 Justice Institute of British Columbia courses. In addition, 32 staff members participated in Exercise Windstorm on December 11.

The Emergency Program took possession of a desalination unit which, in the event of an emergency, is capable of producing 2800 gallons of fresh water per day. This acquisition included the purchase of a trailer for deployment. Currently four fire fighters are trained in the use of this machine, with plans to expand the team.

The Township of Esquimalt was represented on the Great BC Shakeout organizing committee again in 2013. This annual drill was a great success with some 690,000 people participating throughout the province.

Police Department

The Esquimalt Division of the Victoria Police Department is located in the Township of Esquimalt's Public Safety Building at 500 Park Place, just off Esquimalt Road near Municipal Hall. The division includes two school resource positions, one at-risk youth investigator, and one community resource officer. The

division houses the department's K9 Unit, comprised of four general duty shepherds and two labs trained for explosives and drug detection.

The division is supervised by one inspector and one sergeant. The school resource officers and youth investigator are responsible for police services directed toward youth and schools within the City of Victoria and Township of Esquimalt. The community resource officer provides services to the community of Esquimalt, and the neighborhoods of Vic West and the Gorge Burnside Road area.

One of the main priorities of VicPD's West Division in 2013 was to expand the Block Watch program along the Esquimalt Road corridor. With the help of VicPD Volunteers and Reserves, a significant number of homes and businesses in this area joined the ranks of the department's Block Watch program.



Reference to Strategic Priorities

Senior's Fire Safety Public Education Program: Operational Strategy

Township Operations by the Numbers

Corporate Services:

Total number of Council meetings held: **95**
Total number of committee meetings: **26**
Staff Reports on various topics: **52**
New Business Licences issued: **103**
Business Licence renewals: **651**
Freedom of information requests: **27**
Municipal Archives requests for research/information: **243**
Requests from residents for historical information on properties/residences: **42**

Engineering and Public Works oversees:

47 kilometres of roads,
9 kilometres of boulevards,
11 pump stations
65 kilometres of storm and sanitary sewer pipes

Public engagement:

Media releases issued to regional media: **34**
Public service announcements and news items issued through the corporate website: **103**
Event notices posted to website: **93**
Visits to website: **226,824** (7% increase from 2012)
Page views on website: **1,452,982**
New followers on Twitter: **600**
New likes on Facebook: **170**
New website e-mail subscribers: **202**

Development applications:

Board of Variance: **1**
Heritage Alteration: **1**
Development Permit: **13**
Development Variance Permit: **20**
Rezoning: **12**
Subdivision: **7**
Total: **54**



Financial Section

Financial Reporting Responsibility

Auditors' Report

Financial Statements

Statistical Information



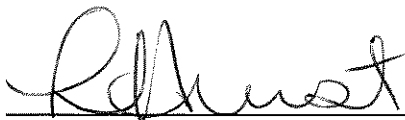
Management's Responsibility for Financial Statements

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

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

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

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



Chief Administrative Officer



Director of Financial Services

Auditor's Report to the Mayor and Councillors of the Corporation of the Township of Esquimalt



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

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

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors of the Corporation of the Township of Esquimalt

We have audited the accompanying financial statements of the Corporation of the Township of Esquimalt which comprise the statement of financial position as at December 31, 2013, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Esquimalt as at December 31, 2013, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 26, 2014
Victoria, Canada

The Corporation of the Township of Esquimalt

Statement of Financial Position

December 31, 2013, with comparative information for 2012

	2013	2012
Financial assets:		
Cash and cash equivalents (note 2)	\$ 22,411,042	\$ 19,417,090
Property taxes receivable	659,100	595,649
Accounts receivable	984,809	762,463
Government grant receivable	-	677,339
MFA debt reserve cash (note 12(b))	194,252	185,223
	<u>24,249,203</u>	<u>21,637,764</u>
Liabilities:		
Accounts payable and accrued liabilities	9,119,900	6,907,805
Deferred revenue and deposits (note 3)	2,652,704	3,094,528
Long-term debt (note 4)	8,870,573	9,492,180
Obligations under capital leases (note 5)	18,934	49,773
Employee benefit and retirement obligations (note 6)	1,207,980	1,157,677
	<u>21,870,091</u>	<u>20,701,963</u>
Net financial assets	<u>2,379,112</u>	<u>935,801</u>
Non-financial assets:		
Tangible capital assets (note 7)	77,380,922	77,164,927
Inventory of supplies	107,641	108,034
Prepaid expenses	55,302	39,223
	<u>77,543,865</u>	<u>77,312,184</u>
Commitments and contingencies (note 12)		
Accumulated surplus (note 8)	<u>\$ 79,922,977</u>	<u>\$ 78,247,985</u>

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



Director of Financial Services

The Corporation of the Township of Esquimalt

Statement of Operations and Accumulated Surplus

Year ended December 31, 2013, with comparative information for 2012

	Financial plan (note 13)	2013	2012
Revenues:			
Taxes for municipal purposes (note 9)	\$ 14,366,656	\$ 14,355,732	\$ 14,294,912
Payments in place of taxes (note 10)	10,304,610	10,578,629	8,979,202
Sale of services	3,278,245	3,248,302	3,273,914
Other revenue from own sources	1,238,358	1,629,734	1,894,117
Conditional transfers from other governments (note 11)	1,058,355	922,627	1,617,418
Unconditional transfers from other governments (note 11)	400,532	399,323	830,320
Total revenue	30,646,756	31,134,347	30,889,883
Expenses:			
General government	4,059,581	3,419,071	3,142,752
Protective services	11,134,459	11,300,118	11,135,571
Transportation	2,437,607	3,755,113	3,490,019
Environmental health	1,173,213	1,534,056	1,511,999
Environmental development	638,909	533,187	672,967
Recreation, parks and culture	8,198,558	8,917,810	8,330,839
Total expenses	27,642,327	29,459,355	28,284,147
Annual surplus	3,004,429	1,674,992	2,605,736
Accumulated surplus, beginning of year	78,247,985	78,247,985	75,642,249
Accumulated surplus, end of year	\$ 81,252,414	\$ 79,922,977	\$ 78,247,985

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

The Corporation of the Township of Esquimalt

Statement of Change in Net Financial Assets

Year ended December 31, 2013, with comparative information for 2012

	Financial plan (note 13)	2013	2012
Annual surplus	\$ 3,004,429	\$ 1,674,992	\$ 2,605,736
Contributed tangible capital assets	-	(164,800)	(259,566)
Acquisition of tangible capital assets	(6,076,204)	(3,080,824)	(3,020,093)
Acquisition of capital lease	-	(6,605)	(10,326)
Amortization of tangible capital assets	-	2,974,374	2,875,270
Proceeds on sale of tangible capital assets	-	4,565	5,470
Loss on disposal of tangible capital assets	-	57,295	105,279
	(6,076,204)	(215,995)	(303,966)
Acquisition of inventory supplies	-	(107,641)	(108,034)
Consumption of inventory supplies	-	108,034	104,166
Acquisition of prepaid expenses	-	(55,302)	(39,223)
Consumption of prepaid expenses	-	39,223	52,173
		(15,686)	9,082
Change in net financial assets (debt)	(3,071,775)	1,443,311	2,310,852
Net financial assets (debt), beginning of year	935,801	935,801	(1,375,051)
Net financial assets (debt), end of year	\$ (2,135,974)	\$ 2,379,112	\$ 935,801

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

The Corporation of the Township of Esquimalt

Statement of Cash Flows

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
Operating activities		
Annual surplus	\$ 1,674,992	\$ 2,605,736
Items not involving cash:		
Contributed tangible capital assets	(164,800)	(259,566)
Amortization of tangible capital assets	2,974,374	2,875,270
Change in employee benefits and other liabilities	50,303	42,706
Actuarial adjustment on debt	(193,475)	(182,431)
Loss on disposal of tangible capital assets	57,295	105,279
Change in non-cash operating assets and liabilities:		
Property taxes receivable	(63,451)	80,590
Accounts receivable	(222,346)	(36,570)
Government grant receivable	677,339	(263,915)
MFA debt reserve fund cash	(9,029)	2,885
Accounts payable and accrued liabilities	2,212,095	(259,522)
Deferred revenue and deposits	(441,824)	181,061
Inventory of supplies	393	(3,868)
Prepaid expenses and deposits	(16,079)	12,950
	6,535,787	4,900,605
Capital activities:		
Acquisition of tangible capital assets	(3,080,824)	(3,020,093)
Proceeds on disposal of tangible capital assets	4,565	5,470
	(3,076,259)	(3,014,623)
Financing activities:		
Capital lease obligation repaid	(37,444)	(48,261)
Long-term debt principal repaid	(428,132)	(447,828)
	(465,576)	(496,089)
Increase in cash and cash equivalents	2,993,952	1,389,893
Cash and cash equivalents, beginning of year	19,417,090	18,027,197
Cash and cash equivalents, end of year	\$ 22,411,042	\$ 19,417,090
Supplemental cash flow information:		
Cash paid for interest	\$ 512,852	\$ 667,023
Cash received from interest	418,140	380,106
Assets acquired under capital lease	6,605	10,326

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

The Corporation of the Township of Esquimalt (the "Township") was incorporated on September 1, 1912 under the Municipal Act, a statute of the Province of British Columbia. Its principal activities are the provisions of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

1. Significant accounting policies:

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

(a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all of the Township's activities and funds. Inter-departmental balances and organizational transactions have been eliminated. The Township does not control any significant external entities and accordingly, no entities have been consolidated in these financial statements.

(b) Basis of accounting:

The Township follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met except when and to the extent the transfer gives rise to an obligation that meets the definition of a liability for the recipient government.

(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 expenditures are incurred, services performed, or the tangible capital assets are acquired.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(e) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved mill rates and the anticipated assessment related to the current year.

(f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(g) Cash and cash equivalents:

Cash and cash equivalents include investments in the Municipal Finance Authority of British Columbia (the "MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(h) Long-term debt:

Long-term debt is reported net of related payments and actuarial adjustments.

(i) Employee future benefits:

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

Sick leave benefits and other retirement benefits are also available to the Township'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 obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. The actuarial losses or gains are amortized over a period equal to the employee's average remaining service lifetime.

(j) 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.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life in years
Land improvements	15 - 50
Building and building improvements	10 - 40
Vehicles, machinery and equipment	3 - 30
Water and wastewater infrastructure	25 - 60
Roads infrastructure	20 - 80

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Township's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions including tangible capital assets received in lieu of a developer cost charge, are recorded at fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(j) 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) Inventories of supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(k) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from those estimates.

(l) Change in accounting policy:

(i) Property tax revenue

The Township adopted Public Sector Accounting Standard *PS 3510, Tax Revenue* effective January 1, 2013. This standard was adopted on a prospective basis.

Under PS 3510, municipalities recognize property tax revenue using the approved mill rate and the anticipated assessment. The standard requires that property tax revenue be reported net of tax concessions. Tax transfers are reported as an expense and taxes levied on behalf of others in a flow through arrangement and are not reported in the statement of operations.

There were no adjustments as a result of the adoption of this standard.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies (continued):

(m) Future accounting pronouncements:

A number of new standards and amendments to standards are not yet effective for the year ended December 31, 2013 and have not been applied in preparing these financial statements. Those expected to potentially impact the financial statements of the Township are as follows:

(i) PS 3450 Financial Instruments

Financial Instruments PS 3450 and Foreign Currency Translation PS 2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2016. The standards are to be adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation, and disclosure of financial instruments and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the entity's accounting policy choices.

(ii) PS 3260 Contaminated Sites

This section establishes recognition, measurement, and disclosure standards for liabilities relating to contaminated sites. The Township will be required to recognize liability when contamination exceeds an accepted environmental standard and the Township is directly responsible, or accepts responsibility for, the damage. The liability will be measured at the Township's best estimate of the costs directly attributable to remediation of the contamination. The Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of the adoption of this standard is being evaluated by management and is not known or reasonably estimable at this time.

(n) Comparative figures:

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

2. Cash and cash equivalents:

	2013	2012
Cash and bank deposits	\$ 2,735,492	\$ 3,249,112
Municipal Finance Authority Money Market Funds	19,675,550	16,167,978
	\$ 22,411,042	\$ 19,417,090

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

3. Deferred revenue and deposits:

Deferred revenue, reported on the statement of financial position, includes the following:

	2013	2012
Gas Tax Agreement Funds	\$ 627,916	\$ 914,543
Trust and deposit liabilities	465,542	525,305
Unearned recreation fees	314,364	328,759
Property tax instalments	634,690	545,199
Miscellaneous	610,192	780,722
	<u>\$ 2,652,704</u>	<u>\$ 3,094,528</u>

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Township and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

Schedule of Receipts and Disbursements of Gas Tax Agreement Funds:

	2013	2012
Balance, beginning of year	\$ 914,543	\$ 1,044,741
Add:		
Amounts received during the year	502,355	502,566
Interest earned	7,823	12,157
	<u>1,424,721</u>	<u>1,559,464</u>
Less: Eligible expenditures	(796,805)	(644,921)
Balance, end of year	<u>\$ 627,916</u>	<u>\$ 914,543</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

4. Long-term debt:

Bylaw	Purpose	Matures	Rate	Original Amount	Sinking Fund*	Net Balance	
						2013	2012
<u>General Capital</u>							
2492	Recreation Centre	2023-03-10	4.775%	\$ 2,800,000	\$ 1,078,072	\$ 1,721,928	\$ 1,854,895
2492	Recreation Centre	2022-03-12	5.370%	4,000,000	1,725,192	2,274,808	2,472,612
				6,800,000	2,803,264	3,996,736	4,327,507
<u>Sewer Capital</u>							
2565	Sanitary Sewers	2022-03-12	4.820%	2,353,000	525,846	1,827,154	1,923,607
2565	Sanitary Sewers	2022-03-12	4.430%	1,129,000	301,850	827,150	875,507
2565	Sanitary Sewers	2025-02-12	4.170%	2,012,000	627,963	1,384,037	1,473,720
2565	Sanitary Sewers	2024-02-12	4.975%	1,256,000	420,504	835,496	891,839
				6,750,000	1,876,163	4,873,837	5,164,673
				\$ 13,550,000	\$ 4,679,427	\$ 8,870,573	\$ 9,492,180

* Sinking fund column includes principal payments and actuarial adjustments.

In 2002, the Council of the Township adopted Bylaw No. 2492 to authorize the borrowing for estimated renovation and upgrade costs for the Esquimalt Recreation Centre in the sum of \$6,800,000.

In 2003, the Council of the Township adopted Bylaw No. 2565 to authorize the construction of improvements to the sanitary sewer system and to borrow upon the credit of the Township a sum not to exceed \$6,750,000.

Total interest on long-term debt for the year was \$527,516, including accrued interest of \$65,278 (2012-\$678,801, including accrued interest of \$81,493).

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

4. Long-term debt (continued):

The Township issues its debt instruments through the MFA. The debt is issued on a sinking fund basis, whereby MFA invests the Township's principal payments so that the payments, plus investment income, will equal the original outstanding debt amount at the end of the repayment period. Actuarial adjustments on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generated by the principal payments.

Principal payments on long-term debt for the next five years are as follows:

2014	\$	428,132
2015		428,132
2016		428,132
2017		428,132
2018		428,132

5. Obligations under capital leases:

The Township financed specific municipal hall, recreational and fire department equipment by entering into capital leases with the MFA Leasing Corp. The Township will acquire ownership of the equipment at the end of the lease term. Repayments are due as shown.

2014	\$	8,305
2015		4,217
2016		3,561
2017		2,667
2018		806
Total minimum payments		19,556
Less: Amounts representing interest (at prime plus 1%)		(622)
Present value of net minimum capital lease payments	\$	18,934

Total interest on leases for the year was \$692 (2012 - \$1,366).

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

6. Employee benefit and retirement obligations:

The Township provides sick leave and certain benefits to its employees. These amounts and other employee related liabilities that require funding in future periods are set out below:

Accumulated sick leave represents the liability for sick leave banks accumulated for estimated draw downs at future dates. Retirement benefit payments represent the Township's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits, certain vacation entitlements in the year of retirement, and pension buyback arrangements for qualified employees.

Information about liabilities for employee benefit plans is as follows:

	2013	2012
Accrued benefit obligation, beginning of year	\$ 1,157,677	\$ 1,114,971
Service cost	87,900	84,200
Interest cost	38,500	36,500
Benefits payments	(67,200)	(63,800)
Past agreement refund accrual	(8,897)	(14,194)
Accrued benefit liability, end of year	\$ 1,207,980	\$ 1,157,677

The actuarially accrued benefit obligation set out in the actuarial valuation is \$995,200 (2012 - \$1,037,800), resulting in a variance of \$212,779 between the obligation and the accrued benefit liability of \$1,207,979 (2012 - \$1,157,677). The variance is composed of the following two amounts: an actuarial net gain of \$194,900 (2012 - \$103,900) and the special agreement refund accrual of \$17,879 (2012 - \$15,977). This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 11 years. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$115,600 (2012 - \$107,000).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2013. At December 31, 2013, the valuation was updated to reflect specific changes in the assumptions adopted in measuring the Township's accrued employee benefit obligations. The significant assumptions adopted in measuring the Township's accrued benefit obligations are as follows:

	2013	2012
Discount rates	4.10%	3.50%
Expected inflation rate	2.50%	2.50%
Expected wage and salary increase, based on age and gender	2.58% - 4.63%	2.58% - 4.63%

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

6. Employee benefit and retirement obligations (continued):

Municipal Pension Plan

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 143 contributors from the Township.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the Plan.

The Township paid \$874,402 (2012 -\$852,436) for employer contributions while employees contributed \$718,935 (2012 - \$687,118) to the plan in fiscal 2013.

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 Employee locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2011. At December 31, 2012, the total plan provision for approved and unreported claims was \$16,615,400 with a net deficit of \$5,484,632. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$67,037 (2012 - \$41,955) for employee contributions in fiscal 2013.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

7. Tangible capital assets:

Cost	Balance December 31, 2012	Additions	Disposals/ transfers	Balance December 31, 2013
Land and land improvements	\$ 39,920,198	\$ 446,658	(27,716)	\$ 40,339,140
Building and building improvements	20,287,300	1,802,831		22,090,131
Vehicles, machinery and equipment	8,368,635	459,776	(148,469)	8,679,942
Water and wastewater infrastructure	21,835,996	265,906		22,101,902
Roads infrastructure	34,156,608	346,757	(95,614)	34,407,751
Work in progress	936,138	565,205	(634,904)	866,439
Total	\$ 125,504,875	\$ 3,887,133	\$ (906,703)	\$ 128,485,305

Accumulated amortization	Balance December 31, 2012	Disposals	Amortization expense	Balance December 31, 2013
Land and land improvements	\$ 9,564,780	(27,717)	\$ 218,440	\$ 9,755,503
Building and building improvements	7,927,371		735,610	8,662,981
Vehicles, machinery and equipment	4,713,515	(124,766)	497,398	5,086,147
Water and wastewater infrastructure	10,392,241	-	367,261	10,759,502
Roads infrastructure	15,742,041	(57,456)	1,155,665	16,840,250
Total	\$ 48,339,948	\$ (209,939)	\$ 2,974,374	\$ 51,104,383

Net book value	Balance December 31, 2012	Balance December 31, 2013
Land and land improvements	\$ 30,355,418	\$ 30,583,637
Building and building improvements	12,359,929	13,427,150
Vehicles, machinery and equipment	3,655,120	3,593,795
Water and wastewater infrastructure	11,443,755	11,342,400
Roads infrastructure	18,414,567	17,567,501
Work in progress	936,138	866,439
Total	\$ 77,164,927	\$ 77,380,922

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

7. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$866,439 (2012 - \$936,138) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. There were contributed tangible capital assets having a value of \$164,800 during the year (2012 - \$259,566).

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category to which nominal values were assigned.

(d) Works of art and historical treasures

The Township manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Township sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(e) Write-down of tangible capital assets

There were no write-downs of tangible capital assets during the year (2012 - \$nil).

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

8. Accumulated surplus:

Accumulated surplus includes unappropriated operating funds and various appropriated operating accounts and reserve funds.

	2013	2012
Surplus:		
Equity in tangible capital assets	\$ 68,491,415	\$ 67,622,974
Unappropriated operating funds	4,931,713	3,599,026
	<u>73,423,128</u>	<u>71,222,000</u>
Appropriated operating funds:		
Celebrations Rainy Day	-	8,000
Future expenditures	156,301	212,349
Casino revenue	174,281	-
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
	<u>830,582</u>	<u>720,349</u>
Reserve funds set aside for specific purposes by Council:		
Capital Projects	2,240,990	3,130,446
Local Improvement	135,438	133,906
Machinery and Equipment	2,871,814	2,627,538
Municipal Archives Trust	5,671	5,562
Parkland Acquisition	82,082	81,154
Tax Sale Lands	113,489	146,589
Sustainability	185,700	141,721
Eva Chafe	34,083	38,720
	<u>5,669,267</u>	<u>6,305,636</u>
	<u>\$ 79,922,977</u>	<u>\$ 78,247,985</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

9. Taxes:

	2013	2012
Taxes for municipal purposes:		
Property tax	\$ 14,100,670	\$ 14,045,425
Local Improvement	4,686	4,686
1% Utility tax	250,376	244,801
	<u>\$ 14,355,732</u>	<u>\$ 14,294,912</u>

As well as taxes for its own purposes, the Township is required to collect taxes on behalf of, and transfer these amounts to, the government agencies noted below. Taxes levied over or under the amounts requisitioned are recorded as accounts payable or receivable.

	2013	2012
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,533,182	\$ 5,590,526
Capital Regional District - requisition	1,927,436	1,528,918
Capital Regional District - 9-1-1 call answer levy	54,152	55,917
Capital Regional Hospital District - requisition	857,377	848,605
British Columbia Assessment Authority	187,733	189,767
British Columbia Transit - Victoria Regional Transit Commission	824,355	753,754
Municipal Finance Authority	573	588
	<u>\$ 9,384,808</u>	<u>\$ 8,968,075</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

10. Payments in place of taxes:

	2013	2012
Payments in place of taxes received for municipal purposes:		
Federal government	\$ 10,459,631	\$ 8,861,697
British Columbia Hydro & Power Authority	100,271	98,461
Liquor Distribution Branch	16,348	16,524
Provincial Rental Housing Corporation	2,379	2,520
	\$ 10,578,629	\$ 8,979,202
Payments in place of taxes collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 3,047,673	\$ 2,806,148
Capital Regional District	1,415,479	922,504
Capital Regional Hospital District	495,040	414,802
British Columbia Assessment Authority	158,496	131,335
British Columbia Transit - Victoria Regional Transit Commission	660,673	514,263
Municipal Finance Authority	336	292
	\$ 5,777,697	\$ 4,789,344

11. Transfers from other governments:

	2013	2012
Conditional transfers from other governments:		
Federal	\$ 8,413	\$ 32,909
Provincial	905,477	1,584,509
Other agencies	8,737	-
	922,627	1,617,418
Unconditional transfers from other governments:		
Small communities protection	138,153	295,593
Traffic fine revenue sharing	261,170	534,727
	399,323	830,320
Total transfers from other governments	\$ 1,321,950	\$ 2,447,738

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

12. Commitments and contingencies:

(a) Contractual commitments:

At December 31, 2013, the following major contracts were in progress:

	Total amount of contract	Paid on contract to December 31, 2013
Aral Construction Ltd.	\$ 416,500	\$ 254,489
Hughes Condon Marler Architects	50,550	33,654
Hughes Condon Marler Architects	51,600	49,308
Associated Engineering (BC) Ltd.	185,271	43,306
City of Portland (US Funds)	94,355	84,920
	<u>\$ 798,276</u>	<u>\$ 465,677</u>

(b) MFA debt reserve fund deposits:

Under borrowing arrangements with the MFA, the Township is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits totalling \$194,252 (2012 - \$185,223) are included in the Township's financial assets as restricted cash and are held by the MFA as security against the possibility of debt repayment default. At December 31, 2013 there were contingent demand notes of \$408,943 (2012 - \$408,943), which are not recorded in the financial statements of the Township. If the debt is repaid without default, the deposits are refunded to the Township and demand notes are cancelled.

(c) Capital Regional District (the "District") debt, under a provision of the Local Government Act, is a direct, joint and several liability of the District and each member municipality within the District, including the Township.

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

12. Commitments and contingencies (continued):

- (e) The Township is a defendant in various lawsuits. An accrual is recorded in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. The Township 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 \$10,000. Should the Association pay out claims in excess of premiums received, it is possible that the Township, along with the other participants, would be required to contribute towards the deficit.
- (f) Each year, the Township receives payments in place of taxes for properties owned by the Department of National Defense. The amounts are paid by the Public Works and Government Services Canada based on their assessment of the land and improvement valuations. The revenue recorded in the Township's financial statements represents the actual amounts received.

As part of its annual grant roll, BC Assessment provides the Township with a separate assessment of these same properties based on its own analysis. The figures in the assessment typically differ from the actual payments received.

The Township has filed formal dispute applications for each of the 2010, 2011 and 2012 fiscal years. These applications represent a request for the difference in revenue between the two calculations to be paid to the Township. These disputes are ongoing and resolution could result in additional revenue being received by the Township. The outcome of this matter is not determinable at this time and any amounts received will be recorded as revenue upon the dispute being resolved.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

13. Financial plan data:

The financial plan data presented in these financial statements is based upon the 2013 operating and capital financial plan approved by Council on May 13, 2013. Amortization, a non-cash item, was not included in the development of the financial plan and, as such, has not been budgeted. The chart below reconciles the approved financial plan to the financial plan figures reported in these financial statements.

	Financial plan amount
Revenues:	
Operating budget	\$ 35,660,432
Less:	
Transfer from other funds	(4,779,114)
Proceeds on debt issue	(234,562)
Total revenue	30,646,756
Expenses:	
Operating budget	35,660,432
Less:	
Capital expenditures	(6,076,204)
Transfer to other funds	(1,513,760)
Debt principal payments	(428,141)
Total expenses	27,642,327
Annual surplus	\$ 3,004,429

14. Subsequent event:

Subsequent to the year end, the Township finalized a policing agreement with another municipality to provide policing services to the Township through to 2023. The Township will fund an agreed percentage of the total annual police budget ranging from 15.2% in the initial year before declining to 15.0% in year two and 14.7% in year 3.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

15. Segmented information:

The Township is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the Township's operations and activities are organized and reported by service area. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) General Government:

The general government operations provide the functions of building services and maintenance, corporate administration, finance, human resources, legislative services and any other functions categorized as non-departmental.

(b) Protective Services:

Protective services is comprised of four functions, including the Township's emergency program services, fire, police and regulatory and development services. The emergency program services prepare the Township to be more prepared and able to respond to, recover from, and be aware of the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies.

The police services provided by the City of Victoria ensure the safety of the lives and property of the Township as well as Victoria citizens through the enforcement of municipal bylaws, criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The mandate of the regulatory and development services is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community and to provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

(c) Transportation:

Transportation services is responsible for a wide variety of transportation functions such as parking, engineering operations and street maintenance management. This department provides infrastructure, traffic control and transportation planning services, as well as providing services related to infrastructure, land development impacts on transportation, traffic management, pedestrian and cycling issues and on-street parking regulations.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

15. Segmented information (continued):

(d) Environmental Health:

Environmental and health services include solid waste services and services related to sanitary and storm sewer systems. Solid waste services include collection of solid waste, household garbage and recycling. Sanitary and sewer services include the construction and maintenance of the sewer distribution systems to protect the environment and public health from the impacts of liquid wastes generated as a result of human occupation and development in the Township.

(e) Environmental Development:

Environmental development works to achieve the Township's community planning goals through the official community plan, neighbourhood plans, special sector and precinct plans and urban design and other policy initiatives. The department is also responsible for the heritage program, downtown vitality and public use of space.

(f) Recreation, Parks and Culture:

Recreation services facilitates the provision of recreation and wellness programs and services through the Township's pool, arena, community and seniors' centres. The parks department preserves and enhances green spaces on public lands; and is responsible for the maintenance, planning and development of all park facilities such as ornamental gardens, natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment. The cultural department is responsible to co-ordinate and lead efforts to enhance our neighbourhoods, foster arts and culture, and work to create a Township that is vibrant and people-centric.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

15. Segmented information (continued):

2013	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
Revenues:							
Taxation	\$ 24,934,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,934,362
Goods and services	1,601,309	54,412	322,294	140,528	10,881	2,748,613	4,878,037
Government transfers	153,863	264,857	554,777	-	-	348,451	1,321,948
Total revenue	26,689,534	319,269	877,071	140,528	10,881	3,097,064	31,134,347
Expenses:							
Salary and wages	2,005,305	3,519,984	1,581,985	322,367	369,458	5,066,025	12,865,124
Materials, supplies and services	1,113,528	7,642,612	661,364	544,126	163,729	2,981,646	13,107,005
Interest and other	1,551	-	-	309,816	-	201,485	512,852
Amortization	298,687	137,522	1,511,764	357,747	-	668,654	2,974,374
Total expenses	3,419,071	11,300,118	3,755,113	1,534,056	533,187	8,917,810	29,459,355
Annual surplus (deficit)	\$ 23,270,463	\$ (10,980,849)	\$ (2,878,042)	\$ (1,393,528)	\$ (522,306)	\$ (5,820,746)	\$ 1,674,992

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2013

15. Segmented information (continued):

2012	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
Revenues:							
Taxation	\$ 23,274,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,274,114
Goods and services	1,874,125	67,806	385,655	205,764	39,051	2,595,631	5,168,032
Government transfers	555,926	295,593	987,933	-	-	608,285	2,447,737
Total revenue	25,704,165	363,399	1,373,588	205,764	39,051	3,203,916	30,889,883
Expenses:							
Salary and wages	1,815,054	3,427,915	1,503,993	295,765	391,331	4,786,049	12,220,107
Materials, supplies and services	1,023,513	7,566,132	520,314	534,863	281,636	2,595,289	12,521,747
Interest and other	1,399	-	-	327,158	-	338,466	667,023
Amortization	302,786	141,524	1,465,712	354,213	-	611,035	2,875,270
Total expenses	3,142,752	11,135,571	3,490,019	1,511,999	672,967	8,330,839	28,284,147
Annual surplus (deficit)	\$ 22,561,413	\$ (10,772,172)	\$ (2,116,431)	\$ (1,306,235)	\$ (633,916)	\$ (5,126,923)	\$ 2,605,736

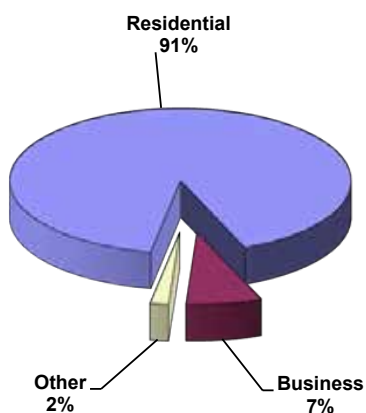
Statistical Information

As per BC Assessment Roll Tax Base Report

Taxable Assessments of Land and Improvements 2009 - 2013

Property Class	2013	2012	2011	2010	2009
Residential	\$2,267,102,604	\$2,342,337,304	\$2,382,432,704	\$2,238,867,104	\$2,105,421,703
Utilities	1,147,600	1,000,800	975,800	998,000	856,300
Major Industry	18,150,000	17,644,500	15,225,900	8,874,800	7,701,300
Light Industry	13,843,400	14,354,700	14,560,500	16,123,100	9,741,700
Business	178,257,552	178,165,002	170,037,002	167,111,803	149,792,253
Recreation Non-Profit	10,457,000	11,100,500	11,173,800	10,983,900	10,227,800
	\$2,488,958,156	\$2,564,602,806	\$2,594,405,706	\$2,442,958,707	\$2,283,741,056

2013 Assessment by Type



Source: BC Assessment

Statistical Information

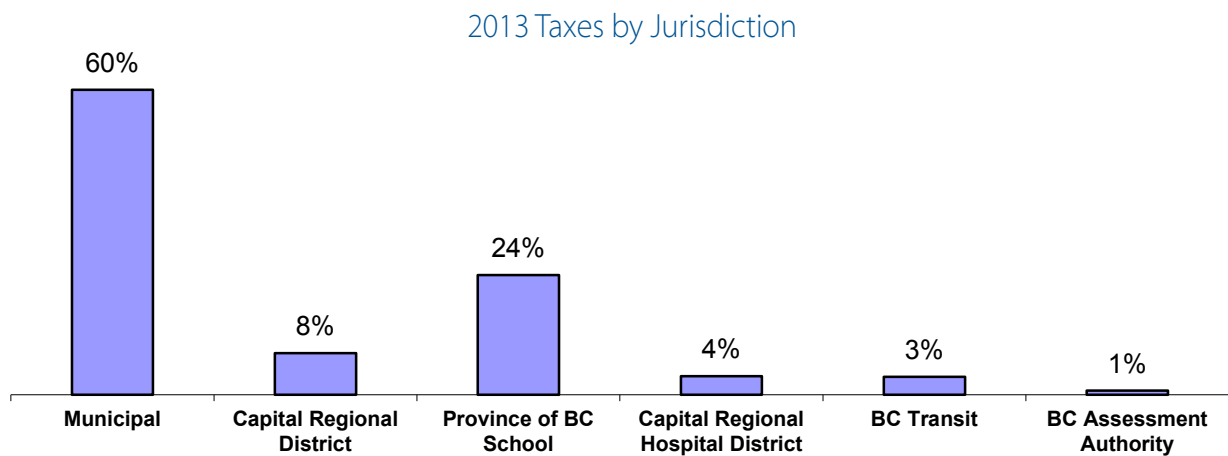
Property Tax Rates 2009 - 2013

	2013	2012	2011	2010	2009
Municipal (\$ per 1000 assessment)					
Residential	4.855100	4.632580	4.531350	4.610070	4.700870
Utilities	21.547430	21.788650	22.346970	21.029720	28.394990
Major Industry	31.456650	30.862070	31.260560	29.433200	30.441080
Light Industry	16.523400	17.148110	17.915020	15.571150	17.101220
Business & Other	12.450600	13.052350	12.942040	12.645310	14.040790
Recreation/Non-profit	5.440520	5.079090	5.049380	4.943870	5.092200
Total (\$ per 1000 assessment)					
Residential	7.88723	7.42522	7.31825	7.47365	7.49446
Utilities	41.26040	40.94194	41.52335	40.22631	48.19267
Major Industry	44.69310	43.16752	43.89641	41.95111	42.94311
Light Industry	31.97989	27.64361	28.74974	26.21412	27.82567
Business & Other	22.46523	22.82946	22.95371	22.67617	24.20169
Recreation/Non-profit	10.19192	9.59901	9.57460	9.54082	9.82186
Municipal Tax Billings by Property Class					
Residential	\$11,007,010	\$10,851,065	\$10,795,636	\$10,321,333	\$9,897,313
Utilities	24,728	21,806	21,806	20,988	24,315
Major Industry	570,938	544,546	475,970	261,214	234,436
Light Industry	228,740	246,156	260,852	251,055	166,595
Business & Other	2,212,363	2,325,472	2,200,626	2,113,181	2,103,202
Recreation/Non-profit	56,892	56,380	56,421	54,303	52,082
	\$14,100,670	\$14,045,425	\$13,811,311	\$13,022,074	\$12,477,943

Statistical Information

Property Tax Levied and Collected 2009- 2013

	2013	2012	2011	2010	2009
Municipal	\$ 14,100,670	\$ 14,045,425	\$ 13,811,311	\$ 13,022,074	\$ 11,481,730
Capital Regional District	1,927,436	1,528,918	1,541,363	1,463,012	1,395,100
Province of BC School	5,533,182	5,590,526	5,629,749	5,606,271	5,117,105
Capital Regional Hospital District	857,377	848,605	841,022	820,334	506,998
BC Transit	824,355	753,754	746,555	570,602	418,590
BC Assessment Authority	187,733	189,767	195,789	194,711	164,787
Municipal Finance Authority	573	588	591	557	442
	\$ 23,431,326	\$ 22,957,584	\$ 22,766,379	\$ 21,677,562	\$ 19,084,752
Total Current Taxes Levied	23,431,326	22,957,584	22,766,379	21,677,562	19,084,752
Current Taxes Collected	23,082,089	22,645,229	22,342,792	21,286,479	18,851,338
Percentage	98.51%	98.64%	98.14%	98.20%	98.78%



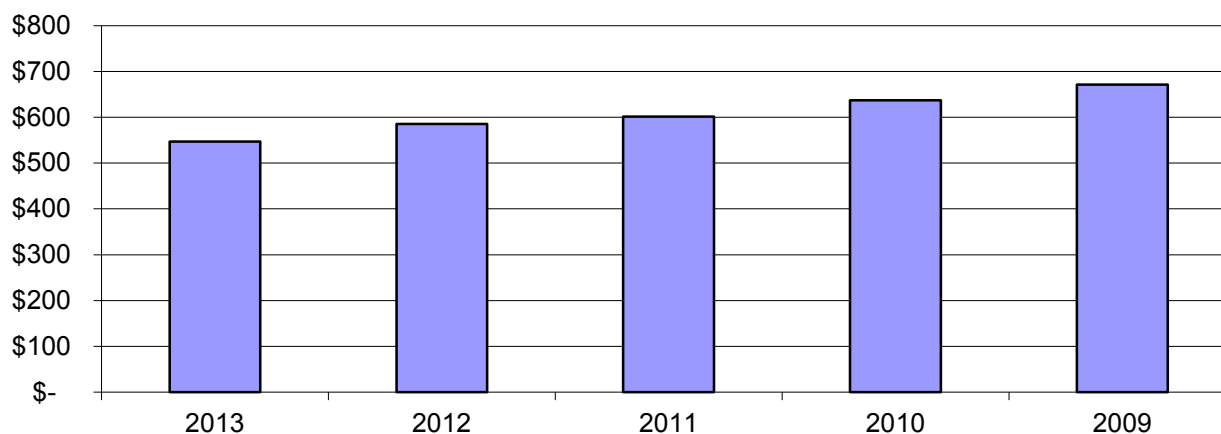
Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

Debenture Debt 2009 - 2013

	2013	2012	2011	2010	2009
Gross Outstanding Debt	\$13,550,000	\$13,975,000	\$13,975,000	\$13,975,000	\$13,975,000
Less: Sinking Fund Payments	4,679,427	4,482,820	3,852,561	3,247,283	2,668,773
Net Debt	\$ 8,870,573	\$ 9,492,180	\$10,122,439	\$10,727,717	\$11,306,227
General	\$ 3,996,736	\$ 4,327,507	\$ 4,642,567	\$ 4,942,545	\$ 5,228,277
Sewer	4,873,837	5,164,673	5,479,872	5,785,172	6,077,950
	\$ 8,870,573	\$ 9,492,180	\$10,122,439	\$10,727,717	\$11,306,227
Debt Servicing Costs					
Property Tax Supported	\$ 888,112	\$ 851,629	\$ 851,629	\$ 909,522	\$ 910,298
Casino	275,000	275,000	275,000	275,000	275,000
Total Debt Servicing Costs	\$ 1,163,112	\$ 1,126,629	\$ 1,126,629	\$ 1,184,522	\$ 1,185,298
Population	16,209	16,209	16,840	16,840	16,840
Net Debt per Capita	\$ 547	\$ 586	\$ 601	\$ 637	\$ 671
Debt Servicing per Capita	\$ 72	\$ 70	\$ 67	\$ 70	\$ 70
Debt Service as % of Expenditures	3.95%	3.98%	4.11%	4.40%	4.37%
# of Households	8,038	8,038	8,038	8,317	8,311
Gross Debt Servicing Limit	\$ 7,240,032	\$ 7,210,376	\$ 6,581,601	\$ 6,906,607	\$ 6,497,388
Debt Capacity Available	\$ 6,548,219	\$ 6,083,747	\$ 5,312,139	\$ 5,397,079	\$ 5,723,214

Per Capita Net Debt



Source: Municipal Finance Authority

Source: Population: Statistics Canada

Statistical Information

Revenue and Expenses 2009 - 2013

Revenue	2013	2012	2011	2010	2009
Property taxes	\$ 14,355,733	\$ 14,294,912	\$ 14,057,224	\$ 13,245,998	\$ 12,699,907
Payments in place of taxes	10,578,629	8,979,202	9,126,457	8,303,212	8,750,626
Sale of services	3,248,303	3,273,914	3,085,378	3,099,673	3,176,131
Other revenue from own sources	1,629,734	1,894,117	2,227,366	1,596,316	2,552,903
Unconditional transfers from other governments	399,322	830,320	806,811	211,887	982,441
Conditional transfers from other governments	922,626	1,617,418	1,036,409	4,852,141	4,005,706
	\$ 31,134,347	\$ 30,889,882	\$ 30,339,646	\$ 31,309,228	\$ 32,167,713
Expenses by Function					
General government	\$ 3,419,071	\$ 3,142,752	\$ 3,108,758	\$ 3,197,530	\$ 3,199,126
Protective services	11,300,118	11,135,571	10,909,700	10,389,997	10,135,644
Transportation	3,755,113	3,490,019	3,262,687	3,185,809	3,408,682
Environmental health	1,534,056	1,511,999	1,510,825	1,458,837	1,787,649
Environmental development	533,187	672,967	460,351	444,685	320,545
Recreation, parks and culture	8,917,810	8,330,839	8,142,206	8,240,505	8,272,185
	\$ 29,459,355	\$ 28,284,149	\$ 27,394,527	\$ 26,917,363	\$ 27,123,830
Expenses by object					
Salary, wages & benefits	\$ 12,865,124	\$ 12,220,107	\$ 11,917,350	\$ 11,807,455	\$ 11,670,309
Materials, supplies and services	13,107,005	12,521,747	12,004,192	12,028,806	12,546,263
Interest and other	512,852	667,023	750,635	680,135	680,875
Amortization	2,974,374	2,875,270	2,722,350	2,400,967	2,226,384
	\$ 29,459,355	\$ 28,284,147	\$ 27,394,527	\$ 26,917,363	\$ 27,123,832

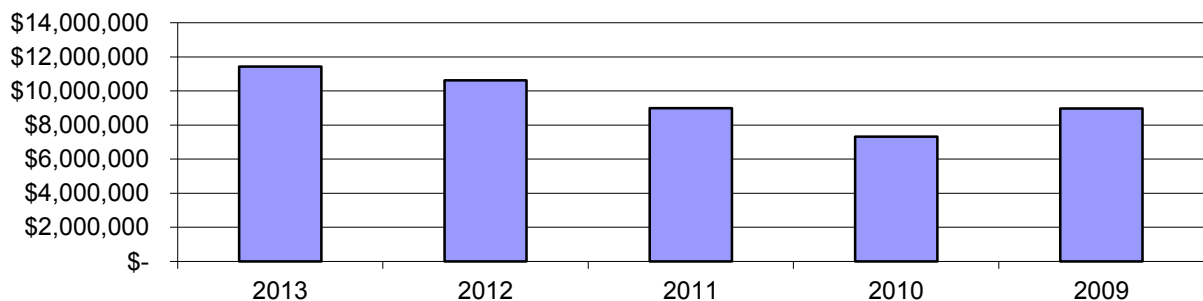
Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

Reserve Funds and Appropriated and Unappropriated Operating Funds 2009 - 2013

Description	2013	2012	2011	2010	2009
Reserve Funds					
Capital Projects	\$ 2,240,990	\$ 3,130,446	\$ 2,683,943	\$ 1,347,922	\$ 1,650,403
Local Improvement	135,438	133,906	127,860	121,915	121,201
Machinery and Equipment	2,871,814	2,627,538	2,460,723	1,596,758	2,396,180
Municipal Archives Trust	5,671	5,562	5,444	5,306	5,278
Parkland Acquisition	82,082	81,154	38,496	246	423,384
Tax Sale Lands	113,489	146,589	145,044	143,561	142,719
Sustainability	185,700	141,721	89,125	64,082	19,847
Eva Chafe	34,083	38,720	38,154	37,020	-
	5,669,267	6,305,636	5,588,789	3,316,810	4,759,012
Appropriated Operating Funds					
Celebrations Rainy Day	-	8,000	8,000	8,000	8,000
Future expenditures	156,301	212,349	226,874	416,133	809,666
Casino revenue	174,281	-	-	-	-
Property acquired for taxes	-	-	-	181,200	181,200
Uncollected taxes	100,000	100,000	100,000	100,000	100,000
Working capital	400,000	400,000	400,000	400,000	400,000
	830,582	720,349	734,874	1,105,333	1,498,866
Unappropriated Operating Funds	4,931,713	3,599,026	2,667,772	2,896,319	2,705,750
Total	\$ 11,431,562	\$ 10,625,011	\$ 8,991,435	\$ 7,318,462	\$ 8,963,628

Total Reserve Funds, Appropriated and Unappropriated Operating Funds



Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

2013 Grants

Organization	Exemption From Property Taxes	Grants	Total
2483 PPCLI Army Cadet Corps - Parents Sponsoring Committee	\$ 3,856	\$ 750	\$ 4,606
Big Brothers Big Sisters of Victoria	-	1,000	1,000
Boys and Girls Club Services of Greater Victoria	6,686	7,000	13,686
Capital Mental Health Association	7,438	-	7,438
City of Victoria - Canada Day Celebrations	-	1,000	1,000
Community Social Planning Council of Greater Victoria	-	750	750
Corporation of the City of Victoria - Portion of Barnard Park off Sea Terrace	3,181	-	3,181
Creatively United For The Planet	-	6,600	6,600
Esquimalt Anglers' Association	243	-	243
Esquimalt Chamber of Commerce	-	3,000	3,000
Esquimalt Community Garden Society	-	800	800
Esquimalt High School	-	1,300	1,300
Esquimalt High School - Athletic Team Funding	-	2,750	2,750
Esquimalt High School - Terry Fox Scholarship	-	500	500
Esquimalt High School - Township of Esquimalt Scholarship	-	250	250
Esquimalt Neighbourhood House Society	10,345	5,000	15,345
Greater Victoria Film Commission	-	1,000	1,000
Habitat Acquisition Trust	11,475	-	11,475
His Highness Prince Aga Khan Shia Imami Ismaili Council for British Columbia	14,288	-	14,288
Island Corridor Foundation	5,592	-	5,592
L'Ecole Victor Brodeur – Athletic Team Funding	-	1,750	1,750
L'Ecole Victor Brodeur	-	750	750
Macaulay Elementary School Parents' Advisory Council - Crossing Guard	-	12,130	12,130
Michael Dunahee Keep the Hope Alive Drive	-	2,000	2,000
Music For Youth Works Society	-	1,000	1,000
Prostitutes Empowerment Education & Resource Society	10,267	1,000	11,267
Rock Solid Foundation	3,815	-	3,815
Rockheights Middle School	-	1,500	1,500
Royal Canadian Legion Esquimalt Dockyard Branch 172	19,902	-	19,902
Shoreline Community Middle School	-	2,000	2,000
Society of St. Vincent de Paul Vancouver Island	16,613	-	16,613
St. John Ambulance Association	-	1,000	1,000
The Compassionate Resource Warehouse Society	19,320	-	19,320
Victoria Association for Community Living	2,328	-	2,328
Victoria Operatic Society	13,322	-	13,322
Victoria Rainbow Kitchen Society	-	10,000	10,000
	<u>\$ 148,671</u>	<u>\$ 64,830</u>	<u>\$ 213,501</u>

Township of
ESQUIMALT

A decorative blue wave graphic that starts under the 'E' of 'ESQUIMALT', dips down, and then rises back up under the 'T', creating a stylized wave effect.