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TOWNSHIP OF **ESQUIMALT**

ANNUAL REPORT 2025

Annual report and financial statements for
the year ending December 31, 2025

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Welcome to the Township

Our Vision

The Township of Esquimalt is a vibrant, distinct and diverse community for people to discover and belong.

Our Mission

The Township of Esquimalt works to make our economic, cultural, social and environmental community a better place for today and for the future.

Our Core Values

Accountability—We are transparent and take responsibility for our policies, our decisions and our actions.

Integrity—We practice high standards of ethical behaviour and open communication that inspires trust.

Respect—We value people and treat everyone with dignity and fairness.

Service excellence—We meet community needs and achieve high-quality results through teamwork, partnerships, innovation and creativity.

Passion—We approach our work with conviction and enthusiasm.

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Esquimalt 2025

“2025—a year defined by steady progress, thoughtful decision-making, and a continued focus on delivering value for our community.”

-Mayor Barbara Desjardins



Annual Remembrance Day Parade with Esquimalt's memorial banners in the background. Credit: Allison Green.

About Us



Esquimalt (pronounced Ess-KWY-malt) is an anglicized version of the $\text{l}\text{e}\text{k}^{\text{w}}\text{e}\text{j}\text{e}\text{n}$ word “es-whoymalth,” which means the place of gradually shoaling waters.

- Year of incorporation: September 1, 1912.
- The area now known as Esquimalt has been inhabited by Coast Salish First Nations for over 4,000 years.
- Esquimalt boasts a diverse business landscape, from a bustling graving dock and light industrial enterprises to offices to breweries and a variety of local businesses.
- The Township is home to close to 18,000 residents.
- 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 enjoys over 30 parks, beaches and green spaces.

Mayor's Message



On behalf of Council, I am pleased to share a look back at 2025—a year defined by steady progress, thoughtful decision-making, and a continued focus on delivering value for our community. While we navigated ongoing financial pressures, we remained committed to responsible stewardship of public funds and ensuring that every investment reflects the priorities of Esquimalt residents.

Across the organization, efforts were grounded in strengthening core services, modernizing systems, and planning carefully for the future. Corporate Services, advanced a comprehensive privacy management program, modernized records systems, and completed a full update of records classification and retention schedule to improve efficiency, compliance, and accountability. We also successfully administered the 2025 By-Election and began preparations for the 2026 general local election. Community connection remained important, highlighted by a well-attended Archives Open House and continued outreach initiatives.

Engineering and Public Works made important progress in managing and renewing essential infrastructure. Completion of the Sanitary Sewer Asset Management Plan, alongside continued work on storm, facilities, and pavement plans, ensures we are taking a proactive, long-term approach to infrastructure investment. Construction began on key active transportation and road improvement projects along Esquimalt Road and Craigflower Road, while planning and engagement continued for future phases. These projects balance safety, accessibility, and affordability as we renew critical assets.

Development Services focused on aligning local policies with new provincial requirements while maintaining a practical and measured approach to growth. The modernization of the Parking Bylaw, recalibration of the Official Community Plan, and launch of the Development Capacity Study all support informed decision-making as we plan for the future. Work also continued on key initiatives such as the Health Needs Assessment and exploring policy options for short-term rentals.

Parks and Recreation continued to enhance quality of life through both programs and public spaces. From award-winning aquatic programs and expanded pickleball opportunities to new public art installations and park improvements—including Lampson Forest plantings, the Peony Garden, and completion of the Green Shores shoreline project—these efforts reflect a commitment to accessible, vibrant community spaces. Strategic investments in facilities, including arena and pool upgrades, were carefully planned to extend the life of existing assets.

Our Fire & Rescue Services and Emergency Program maintained a high standard of service, with response times remaining under four minutes despite rising demand. Investments in training, equipment modernization, and communication systems have improved efficiency and safety; while planning for the new Public Safety Building continues to ensure long-term resilience. Community engagement, youth programming, and regional collaboration remain central to building a safer, more prepared community.

Human Resources initiatives supported a strong and sustainable workforce through collective bargaining progress, improved health and safety outcomes, and enhanced recruitment and onboarding practices—ensuring we can continue to deliver high-quality services.

Finally, Council advanced several strategic initiatives, including continued business outreach and support, expansion of the Why Esquimalt platform, façade improvement programs, and innovative sustainability efforts. Council has also prioritized economic development as a key component of a resilient and sustainable community. Our efforts have demonstrated steady business attraction and retention, supported by strong business licence renewal rates and continued interest from businesses choosing to locate and operate in Esquimalt. These initiatives help strengthen the local economy and support long-term financial sustainability.

As we reflect on the past year, it is clear that even within a constrained financial environment, Esquimalt continues to move forward in a thoughtful and responsible way. With careful planning, strong partnerships, and a shared commitment to community well-being, we look ahead with confidence to another year of steady progress in Esquimalt—truly, “The Place to Be”!.

Barbara Desjardins
Mayor Barbara Desjardins

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Message from the CAO



2025 was a challenging year, but one in which our team delivered solid results on the commitments set out in Council’s Priorities Plan. I am proud of what we accomplished together.

A significant focus for the team in 2025 was the budget process. Through careful review and collaboration with Council, we worked together to find a sustainable path forward. Just as importantly, staff committed to providing clearer information throughout the year about the services we deliver and the resources required to sustain them. These newly developed levels of service and budget documents are important governance tools that were prepared to support Council’s decision-making; they have helped build a shared understanding of the realities of service delivery in a growing community.

The most important accomplishment of 2025 is the progress we made in strengthening the organization’s capacity to plan, prioritize, and deliver the results expected of us. We completed the Official Community Plan recalibration, meeting provincial requirements while positioning Esquimalt for thoughtful growth. We finalized the Sanitary Sewer Master Plan, translating infrastructure challenges into clear data and priorities. We also advanced the Parking Strategy and Bylaw, and began work on the Storm Sewer and Facilities Master Plans. These are key steps toward a more comprehensive and coordinated approach to infrastructure planning.

Our progress wasn’t limited to planning. From maintaining fire response times under four minutes to winning awards for our aquatic programs, from modernizing records management to making major progress on our Active Transportation network upgrades, excellence runs through every department.

I want to be frank about the challenges we face. Demand for services and new initiatives continues to exceed our current capacity. This is not unusual in a growing community. It is reasonable for Council and the community to ask for more. When they do, we will continue to rise to the occasion. We will find ways to articulate why additional resources are needed to deliver on those requests. At the same time, Council may determine that certain requests are not affordable. If that happens, we will work together to adjust our service delivery accordingly. This is the normal work of governance, and it requires thoughtful partnership between Council and staff.

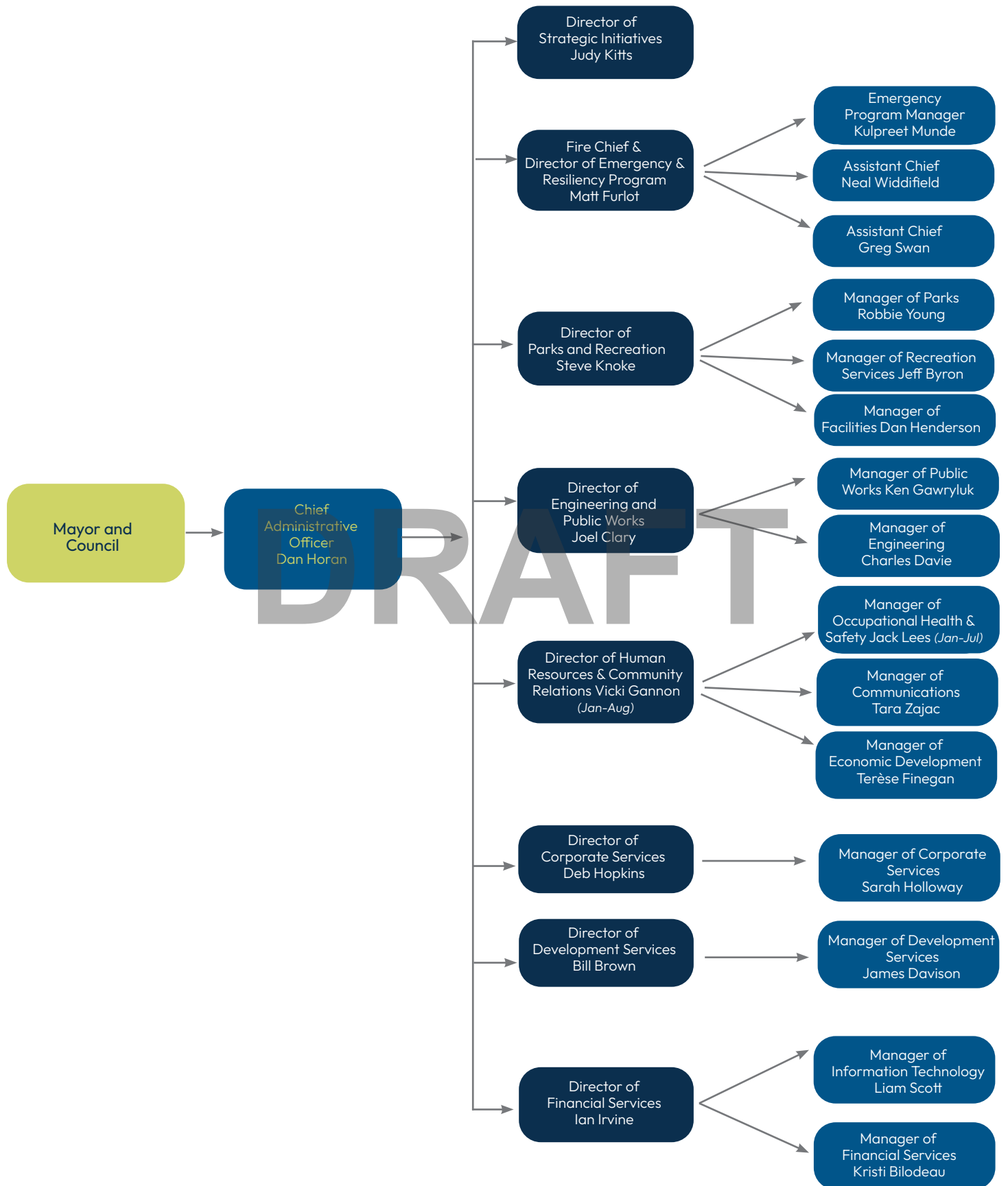
As we work through 2026, the final year of this Council’s term, our focus remains on delivering the commitments we have made, guided by a continued emphasis on excellence, transparency, and stewardship.

I would like to thank Council for their thoughtful governance and partnership throughout the year, our staff for their professionalism and dedication, and the many community members and volunteers who contribute to making Esquimalt a vibrant place to live, work, and play.

A handwritten signature in black ink, appearing to read "Dan Horan".

Dan Horan
Chief Administrative Officer

Organizational Chart





West Bay Marina

Mayor Barbara Desjardins



Appointments in 2025

- DND Liaison
- Capital Regional District Board/ Hospital Board
- Capital Regional District Housing Corporation
- Capital Regional District Climate Action Inter-Municipal Task Force (alternate)
- Greater Victoria Harbour Authority Board
- Destination Greater Victoria (alternate)
- School Liaison (alternate)

Meet your Council

The Mayor and Council of the Township of Esquimalt were elected for a four-year term in October 2022. Mayor and Council adopt bylaws and policies, approve the municipal budget, and serve on various committees within the municipality and region. Councillor Meagan Brame joined council in 2024 after a by-election to replace Councillor Darlene Rotchford.

TOP: Councillors Andrea Boardman, Tim Morrison, Jacob Helliwell, and Duncan Cavens.

BOTTOM: Councillor Meagan Brame, Mayor Barbara Desjardins and Councillor Ken Armour.



Esquimalt Council



Ken Armour - Councillor

Appointments

- APC Design Review Committee
- Esquimalt Farmers Market Society Liaison
- Greater Victoria Harbour Authority AGM Meeting (Member Representative)
- South Island Prosperity Partnership
- South Island Reconciliation Advisory Committee
- Victoria/Esquimalt Harbour Society
- Victoria Family Court & Youth Justice Committee

Andrea Boardman - Councillor

Appointments

- APC Design Review Committee
- Buccaneer Days Committee Liaison
- Capital Regional District Arts Commission (until April 28, 2025)
- Greater Victoria Labour Relations Association



Duncan Cavens - Councillor

Appointments

- Local Grant Committee
- Environmental, Parks & Recreation Advisory Committee
- Celebration of Lights Committee Liaison
- School Liaison
- Capital Regional District Board/ Hospital Board (alternate)
- Capital Regional District Arts Commission (alternate)
- Capital Regional District Housing Corporation (alternate)
- Capital Regional District Housing Trust Fund Commission
- Capital Regional District Water Supply Commission (alternate)
- Greater Victoria Labour Relations Association (alternate)
- Greater Victoria Public Library Board
- Municipal Insurance Association of British Columbia (alternate #2)
- South Island Reconciliation Advisory Committee (alternate until April 28, 2025)

2025 Appointments



Meagan Brame - Councillor
Appointments

- (all appointments are as of April 28, 2025 – after the by-election)
- Advisory Planning Commission
- Capital Regional District Arts Commission
- Capital Regional District Climate Action Inter-Municipal Task Force
- Greater Victoria Harbour Authority AGM Meeting (alternate)
- South Island Reconciliation Advisory Committee (alternate)



Tim Morrison - Councillor

Appointments

- Advisory Planning Commission
- Local Grant Committee
- Environmental, Parks & Recreation Advisory Committee
- Esquimalt Ribfest
- Capital Regional District Water Supply Commission
- Capital Regional District Climate Action Inter-Municipal Task Force (until April 28, 2025)
- Capital Regional Emergency Services Telecommunication
- Municipal Insurance Association of British Columbia (alternate #1)



Jacob Helliwell - Councillor

Appointments

- Advisory Planning Commission (until April 28, 2025)
- Local Grant Committee
- Township Community Arts Council (until April 28, 2025)
- Destination Greater Victoria
- Municipal Insurance Association of British Columbia

Corporate Services

The Corporate Services Department is comprised of legislative services, information and privacy management services, archives services, corporate administration services to Council and staff, and executive assistance to the Mayor and Chief Administrative Officer (CAO).

The department is led by the Director of Corporate Services/Corporate Officer, and includes the Manager of Corporate Services/Deputy Corporate Officer, Archivist, Committee Coordinator, Corporate Services Advisor, Corporate Services Assistant, Freedom of Information Assistant, and Records, Information and Privacy Coordinator.

The department is primarily responsible for providing corporate administration services including legislative and procedural advice to the corporation including Mayor and Council, Council meeting management and production of agendas and minutes, administrative oversight of Council's committees, Mayor and CAO support, records management direction, information and privacy compliance leadership, cooperation and liaison with other governmental agencies, publication of statutory public notices, as well as ensuring that Council priorities and direction are tracked and supporting the CAO with implementation. The department is also responsible for archives, which preserves and makes available municipal and community records of enduring value and private-sector materials of historical significance.

The Corporate Services team provides complex customer service, guidance on public participation and Council proceedings, internal and external direction on legislative processes and requirements, records management advice, historical records research assistance, leadership support to the Township's statutory duties under the Freedom of Information and Protection of Privacy Act, and administration of election and assent voting proceedings.

ARCHIVES

Highlights

- Focused on promoting and sharing the Esquimalt archives through strategic partnerships, attending and hosting public events, and displaying community exhibits. Partnerships included the Esquimalt Branch of the Greater Victoria Public Library, Esquimalt Naval and Maritime Museum, Fort Macaulay, Rockheights Middle School, Fort Rodd hill and Fisgard Lighthouse National Historic Site, Bay Street Armoury, 5 (BC) Artillery Regiment and community seniors' centres.
- Received 34 donations of archival materials and prepared 9 exhibits for public display.
- Initiated two special projects: Making Women Visible: Reclaiming the Female Identity in Archival Photo Records and Changing Esquimalt Neighborhood 2025 (photographic recording).
- Hosted a very successful interactive public open house with over 100 diverse attendees and collected contributions for the 2050 time capsule.



Elections staff preparing for advanced voting for the 2025 by-election at Archie Browning Sports Centre.

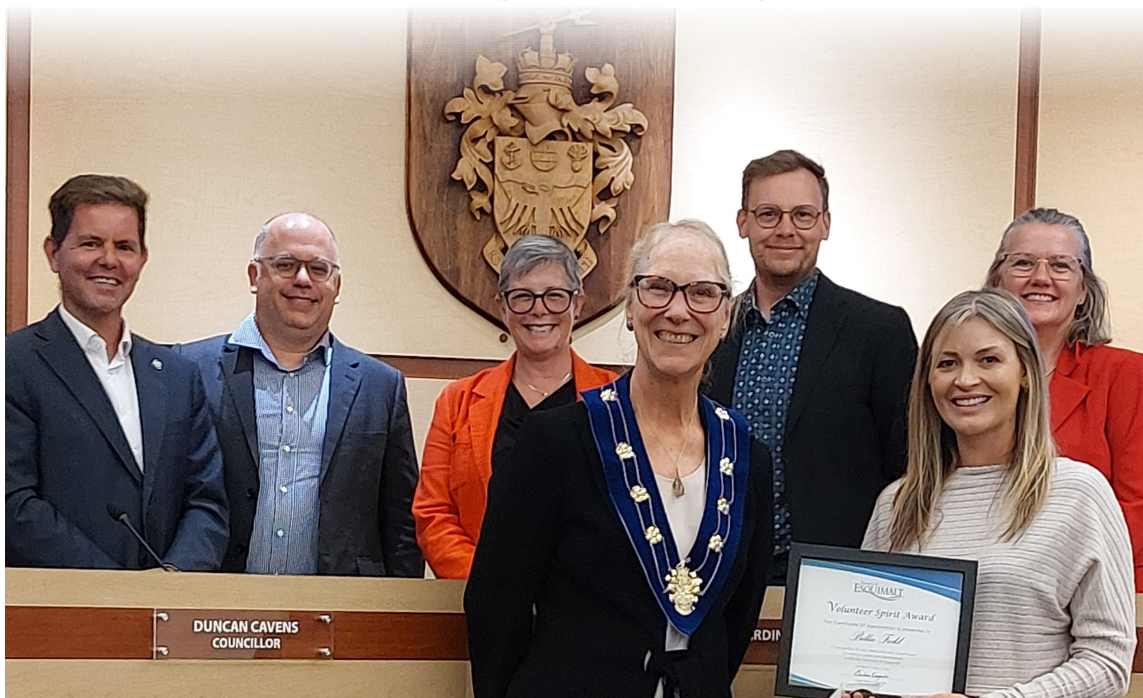


Archivist Dulma Karunaratna and volunteer Jane Ciacci hosting an information table at the Bay Street Armoury for the 150th Commemorative Celebration of General Sir Arthur Currie.

CORPORATE SERVICES

Highlights

- Conducted the 2025 By-Election to fill one Council member vacancy and completed the oath of office proceedings.
- Prepared and implemented the Township's new Privacy Policy and initiated development of a comprehensive corporate Privacy Management Program.
- Reviewed, revised and implemented the Township's Records Classification and Retention Schedule that included new regulatory requirements to ensure the correct lifecycle management of the Township's official records.
- Developed Procedural Guidelines and other supporting materials for Advisory Body Chairs and Vice Chairs to assist with the consistent facilitation of meetings.
- Initiated Municipal Hall Reception pilot project in support of the Financial Services Department which aims to enhance customer service through a dedicated welcoming and professional first point of contact that improves wayfinding and efficiently triages customer service needs.



Community Spirit Award being presented to Billie Field .

Development Services

The Development Services Department is responsible for ensuring that community development within Esquimalt occurs in a manner consistent with the goals and policies set out in the Official Community Plan (OCP).

Within this framework the department is tasked with ensuring that various planning applications (Official Community Plan Amendments, Zoning Bylaw Amendments, Development Permit Applications, and Development Variance Permit Applications) are processed in an efficient and timely manner in accordance with the Local Government Act and various bylaws. The department also approves subdivisions in accordance with provincial acts and regulations. In addition to operational responsibilities, the department is also tasked with several council priorities relating to housing and climate resilience.

Department highlights

- Modernization of the Parking Bylaw completed
 - The new Parking Bylaw was modernized featuring a more accurate table of parking requirements that differentiates parking requirements for multi-family buildings based on both tenure and unit size. It also includes detailed standards for bike parking as well as detailed calculations for reduced parking requirements in exchange for transportation demand management initiatives.
- Official Community Plan Recalibration completed – The recalibration incorporated the new provincial government requirements to include policies related to the housing needs assessment and affordable housing. In addition, redundancy was removed from some of the development permit guidelines in various development permit areas. Also, statistical sections were updated with the most recent census data.
- The Development Capacity Study was initiated
 - The consulting team will study and analyze a number of variables such as sewer capacity, water capacity, road capacity, tree canopy, recreation and parks capacity, electrical supply capacity, financial capacity, and emergency services capacity to determine if any of these variables represent a constraint to future development capacity.
- Health Needs Assessment – Extensive data collection and research was done by the consulting team for the Health Need Assessment Update.
- Short-Term Rentals – Consultant was hired to prepare a report for Council outlining the various policy options for short-term rentals. An open house was held on November 26 to allow the consultant to gather information for residents related to this matter.
- Produced a Climate Plan Update report for council that summarized 2024 progress on the township’s Climate Action and Resilience Plan.



The Development Capacity Study will look at multiple services in the township and the potential for growth.

Engineering & Public Works

The Engineering and Public Works Department maintains, upgrades and develops municipal infrastructure.

Engineering focuses on the planning, design and project management of new infrastructure and upgrading existing infrastructure along with proposed new developments. Public Works ensures that the existing infrastructure is maintained and operated in an effective manner as well as providing additions or improvements to existing infrastructure. The infrastructure falls into three main groups: linear (roads, sidewalks, sewers, drains), vertical (building maintenance, signage, intersections, streetlights) and mobile (vehicle purchase and maintenance).

Department highlights

- Completed the Sanitary Sewer Asset Management Plan and made progress on the Storm Sewer, Facilities, and Pavement Asset Management Plans. Those plans are expected to be complete in 2026.
- Finished constructing a new sidewalk on Munro Street between Kinver Street and Lampson Street.
- The Esquimalt Road Active Transportation Improvements & Underground Utility Renewals Project progressed. Phase 1 saw the completion of designs and a majority of construction along with crosswalk improvements on Craigflower Road; completed routing engagement for Phase 2.
- Completed design and awarded a contract for the upgrade of the Uganda Sanitary Sewer Pump Station.
- Expanded parking availability and updated parking restrictions on side streets surrounding Esquimalt core to improve overall parking supply.
- Refreshed the Active Transportation Network Plan priority projects for pedestrian, cyclist, and intersection improvement projects at the end of 2025.



New crosswalk and improved sidewalks on Esquimalt Road at Macaulay Road to help with safe crossing for residents, including families traveling to Macaulay School.

Financial Services

The Financial Services and Information Technology Departments are responsible for management of the Township’s financial affairs and technology requirements to ensure public accountability and transparency while supporting Council’s strategic objectives.

The Financial Services Department serves as the first point of contact at the municipal hall. In addition to addressing all general enquiries, the department is responsible for overall cash management. This includes collection of property tax, dog and business licence payments, investment of funds and securities, management of payroll and benefits and processing of disbursements made by the Township.

To ensure the Township is protected against the effects of damage on accidental loss, staff maintain claims and insurance premiums and work closely with other departments to ensure that risks to the Township are minimized. Each year, a detailed budget identifies all revenues and funding sources for operating and capital expenditures, including projections for a five-year period. This financial plan and the annual taxation levies necessary to support the service levels of municipal operations are approved by Council.

The Township’s reserves are assessed to ensure long term fiscal sustainability and adequacy of funding for future capital projects. The Township’s financial statements, prepared in accordance with generally accepted accounting principles and Public Sector Accounting Board (PSAB) recommendations, are audited annually.

In addition to satisfying all audit and regulatory reporting requirements, the department generates timely and accurate financial information for review and analysis by Council and senior management to ensure fiscal accountability and facilitate decision-making.



Corporation of the
Township of Esquimalt
MUNICIPAL HALL

1229

Esquimalt Municipal Hall

Esquimalt Fire Rescue Services

Esquimalt Fire Rescue Services (EFRS) provides fire suppression, investigation, prevention, and education services to residents of Esquimalt. Other services the department provides include medical first responder, confined space entry and hazardous materials response. The Emergency & Resiliency Program is also a part of this department.

EFRS actively engaged with the community throughout 2025, fostering partnerships and delivering valuable educational programs. The department continued to provide vital emergency coverage to the Township of Esquimalt, responding to a broad range of incidents including technical rescues, residential and commercial fires, motor vehicle accidents, medical emergencies, and high-rise responses. We remain committed to delivering high-quality service with a strong focus on training, innovation, and community engagement.

RELIABLE EMERGENCY RESPONSE

EFRS maintained strong service delivery in 2025, with average response times under four minutes while managing increasing call volumes. Crews responded to a wide range of incidents including fires, medical emergencies, rescues, and alarms, ensuring timely and effective support to the community.

STAFFING PILOT IMPROVED RELIABILITY

A temporary staffing pilot was implemented to address a structural staffing gap. This initiative improved shift coverage, reduced reliance on overtime, and increased overall service reliability, helping ensure firefighters were available and ready to respond when needed.

TRAINING AND OPERATIONAL READINESS

Firefighters completed extensive training in emergency scene management, technical rescue, and medical response. Continued investment in probationary firefighter development and officer training ensures crews are prepared to respond safely and effectively to complex and evolving emergencies.



Ongoing training exercises keeps members prepared for a range of incidents.

FLEET MODERNIZATION WITH LIGHT RESCUE

The department advanced fleet modernization by transitioning from a Heavy Rescue to a right-sized Light Rescue unit. This improves response efficiency, aligns apparatus with community needs, and ensures responsible use of taxpayer funds while maintaining operational capability.

REGIONAL LEADERSHIP AND COLLABORATION

EFRS played a key role in regional initiatives including Mayday procedure alignment, high-rise response planning, and joint recruitment efforts. These collaborations strengthen coordinated emergency response across the Capital Region and improve outcomes during multi-agency incidents.

EMERGENCY & RESILIENCY PROGRAM

EMERGENCY PLANNING AND PREPAREDNESS

The Emergency & Resiliency Program advanced municipal emergency planning through updates to response frameworks, staff training, and interdepartmental coordination. These efforts strengthen the Township's ability to effectively manage and recover from large-scale emergencies.

PUBLIC SAFETY BUILDING AND EOC DEVELOPMENT

Significant progress was made in planning the Emergency Operations Centre within the new Public Safety Building. The future EOC will enhance the township's ability to coordinate emergency response, support decision-making, and manage complex incidents.

REGIONAL COLLABORATION AND PARTNERSHIPS

The program actively participated in regional emergency management groups, strengthening coordination and information sharing across agencies. These partnerships improve collective readiness and ensure a more unified response to emergencies across the region.

COMMUNITY RESILIENCE AND PUBLIC EDUCATION

Public outreach initiatives encouraged residents to be better prepared for emergencies. Education efforts focused on household preparedness, risk awareness, and resilience, helping build a safer and more informed community.

FIRESMART AND RISK REDUCTION INITIATIVES

Work continued to advance FireSmart and community risk reduction efforts, including participation in regional collaborations and planning for expanded program delivery. These initiatives support wildfire preparedness and reduce risk to homes and infrastructure.



The Esquimalt Public Safety Building's construction made good progress in 2025. The building is slated to open winter 2026.

Human Resources & Community Relations

The HR and Community Relations Department is comprised of human resources, occupational health and safety, communications, economic development and business licences.

The department supports internal and external communications, and provides HR, labour relations and occupational health and safety advice to staff.

The department is led by the Director of HR and Community Relations, and includes the Manager of Communications, Manager of Economic Development, Manager of Occupational Health and Safety, and administrative support. Indigenous Relations was shifted to a new portfolio in mid-2025 with the creation of the Strategic Initiatives department.

COMMUNICATIONS

This section supports corporate priorities as a whole in addition to individual departments in areas such as community engagement, media relations, website and social media planning, branding and emergency communications.

Staff regularly work with volunteer groups to help raise the profile of community events and volunteer opportunities. Communications is also responsible for the design and distribution of the corporate annual report, promotional advertisements and community newsletters.

Highlights

- Communications staff continued to work with all departments on a variety of public engagement initiatives, notably the Esquimalt Public Dock survey, Esquimalt Road Active Transportation project and Official Community Plan update. The 2025 Budget Book, a new publication from the township that shares detailed financial information with the public, was also produced in-house by finance and communications staff.
- Direct outreach to the community is a priority and was accomplished via the Current Newsletter where 10,000 copies are mailed to households and businesses 3 times a year. Digital communications remain strong with continued growth across 3 social media accounts, the Esquimalt Alert app and subscribers to the digital newsletter.
- Fostered strong relationships with local journalists and regular coverage of Esquimalt stories in the news through providing local media with timely, accurate and interesting stories.
- Communications staff completed the International Association of Public Participation certification with selected staff also receiving foundational training in the framework. This training is part of the plan to formalize the township's public engagement process in 2026.



ECONOMIC DEVELOPMENT

Economic development in 2025 remained focused on strengthening Esquimalt's local business foundation while positioning the township as a business friendly, resilient, and attractive place to invest. Work aligned with Council priorities to support economic vitality, placemaking, sustainability, and long term community prosperity.

Highlights

- Continued to strengthen and support Esquimalt's local business community, with a dual focus on business retention and attraction during a period of ongoing economic uncertainty.
- Delivered another successful year of the Business Façade Improvement Program, in collaboration with the Esquimalt Chamber of Commerce, achieving a record number of approvals and resulting in visible, streetscape level improvements across key commercial areas.
- Launched the Why Esquimalt website as a central hub for business, development, and investment information, with strong early uptake and engagement from local businesses and partners.
- Maintained consistent and proactive business outreach through regular newsletters, targeted electronic direct marketing campaigns, and one-to-one support, helping businesses stay informed, connected, and resilient.
- Demonstrated steady business attraction and retention, reflected in strong business licence renewal rates and sustained interest from businesses seeking to locate and operate in Esquimalt.
- Advanced creative placemaking and sustainability initiatives, including the *Banner to Bag* circular economy project, which generated positive regional attention while reinforcing Esquimalt's place brand and commitment to environmental innovation.
- Coordinated the Gorge Park public art banner project, featuring four Japanese inspired works by Marlene Howell that celebrate cultural heritage, unity, and mindfulness in Esquimalt's public spaces.

HUMAN RESOURCES

- Successfully planned and progressed discussions for collective bargaining with CUPE 374, with a goal to ratify and have a new Collective Agreement in place for early 2026.
- Conducted an audit of health and safety programs and training leading to a reduction in time lost due to injury.
- Supported higher risk operational areas to ensure safe work practices, while providing a high level of service to the community.
- Held a detailed review of HR records management and the development of standard operating procedures to ensure a consistent and seamless approach to employee records administration and recruitment processes.
- Created an employee recruitment video to improve onboarding and recruitment. The video highlighted employee profiles and the benefits to working for the township.
- Introduced Automated External Defibrillators in both the Public Work building and the municipal hall.

Parks & Recreation Services

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 programs and services for local and regional residents and hosts sporting and special events in the community.

The recreation department offers a wide variety of programs that serve the community by providing options for all ages and abilities. From social opportunities to competitive sport, Esquimalt Recreation's goal is to be a place for everyone.

The parks department is responsible for the maintenance and conservation of Esquimalt's stunning parks, trails and beaches. While maintaining township parks to a high standard, staff members follow principles of sustainability and ecology, ensuring that future generations will continue to enjoy our coastal and upland parks and greenways.

Highlights

- Community dock engagement and planning consultation completed in 2025. Residents provided information on desired dock amenity and location. The consultant completed an environmental impact assessment and provided a recommended location. Grant funding was applied for in late 2025.
- Submitted a \$4.3m UBCM Strategic Priorities Fund (SPF) grant application for Artificial Turf Field Installation in partnership with Esquimalt High School and SD 61. Project is set to include sewer infrastructure renewal should grant application be successful.
- Completed Building Condition Assessments for five major municipal buildings in advance of asset management planning.
- Offered activities through partnership programs with other municipalities including Leisure Involvement for Everyone (L.I.F.E.), Leisure Assistance Pass (L.A.P.), and the Regional Access Pass.
- Promotions occurred through the website, digital signage, roadside marquee, and social media platforms (followers on parks/rec accounts: 7,871 on Facebook, 4,044 on X; and 3,140 on Instagram).
- The Gorge Park Pavilion had 1,005 bookings in 2025, including weddings, and events.
- The Aquatics Department won the Lifesaving Society award for most Bronze-level courses run in a community under 20,000 for the 3rd year in a row.

RECREATION

Public Art

- The Street mural public art project at Saxe Point Park was installed in the spring of 2025. This mural enhances the neighborhood’s visual appeal, inspires creativity, fosters community connection, and improves pedestrian safety.
- Collaborated with Esquimalt High School for student-led murals in the youth area of Anderson Park

Department Initiatives/ Non-Capital Projects

- The Recreation Department continued to enhance or modify programs and services based on growing demand and changing trends.

Capital Projects

- The arena slab replacement project began with the hiring of Polar Engineering as the project manager and consultant;
 - Design phase of the project was completed
 - Tender for construction services was posted and awarded to Blackrete Builders Inc.
- The hot tub and leisure pool filters were replaced.
- RJC Structural Engineers completed an assessment of the main pool tank and provided an ‘Opinion of Probable Costs’ Report. This report provides the department with Short Term, Intermediate Term, and Long-Term recommendations for the main pool tank.
- The Crowsnest lounge at Archie Browning lighting project was completed with all old lighting removed and new LED lighting installed.



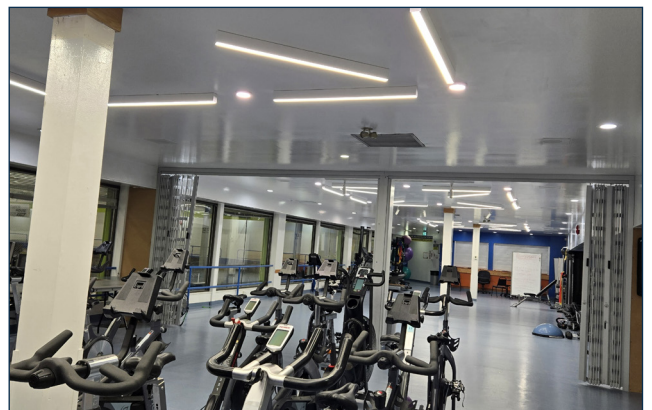
Gorge Park Pavilion

- The Parks and Recreation team began a new project with the Victoria Nikkei Cultural Society with Indigenous artists for the creation of a mural sequence to be installed in the bottom of the ponds. This is to include interpretive signage. Project completion is planned for late spring 2026.



- The Pavilion remains a highly sought-after venue for a diverse range of events, including celebrations, conferences, community programs, and meetings. Due to its growing popularity, staff continue to experience an increase in rental requests, both for individual spaces and full facility bookings.

New LED lights (right) replace dated lighting in the Crowsnest Lounge (left).



Parks & Recreation Services (con't)

PARKS

- The multi-faceted Greenshores Project in Esquimalt Gorge Park was completed in spring 2025 after construction started in 2024. The aim was to restore natural coastal processes that contribute to the health of the Gorge Creek Estuary while increasing overall resiliency to sea-level rise.
- New EVs in Parks Fleet: Added a second EV truck to our fleet, replacement of older vehicle with Ford Lightning.



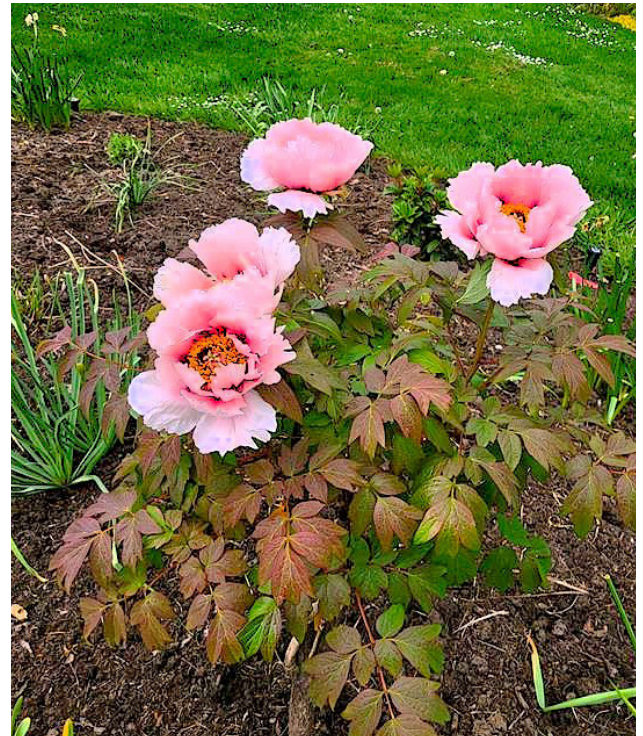
Shoreline rehabilitation in progress.



Earth Day at Highrock Park involves member of the community and staff in education & invasive species removal.

Park improvements

- Major landscape bed renovations at Municipal Hall, Memorial Park, the rhododendron garden in Esquimalt Gorge Park and Propeller Park
- Refurbished parks assets including wood benches, picnic tables and painted bollards
- Significant adjustments were made to Bullen Park to change the orientation and add an additional soccer field
- Established, prepared and planted trees/shrubs in Lampson Forest, installed irrigation and pathways
- Designed, installed , irrigated new Peony Garden in the wedding area of Esquimalt Gorge Park.



Seasonal garden ensures flowering plants at all times of the year and made possible by resident donation of prize peonies.

SIGNIFICANT EVENTS

Community events play a large part of the township's identity and local spirit. Several events are organized through the Parks and Recreation department while some are led by volunteers or community organizations. When events are held on township property, staff provide a range of services, from logistical support to promotion.

Local grants often include a request for in-kind donation of staff support for events.

- Hosted or supported the signature Esquimalt community events including the Esquimalt 5km Walk & Run, Buccaneer Days, JazzFest, RibFest, the TCAC Music in the Park series, Splash of Light Festival, Stories in the Park, the Esquimalt Farmers Market, Celebration of Lights, the Esquimalt Christmas Tree Village.
- The Gorge Park Pavilion hosted the annual TCAC Sculpture Splash in collaboration with the Vancouver Island Sculptors Guild and hosted over 40 sculptors.
- A new summertime children's activity was added called the Park Activation Series. Two events were held: the Teddy Bear Picnic in Captain Jacobson Park and the Play Time at Memorial Park.

DRAFT



Ribfest weekend is kicked off with the raising of the Port Angeles flag. The town's Crabfest is an informal sister event to Ribfest where each town celebrates the other reciprocally.



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New custom banners in Esquimalt Gorge Park nod to both the Japanese cultural history and the natural environment of the park.

Strategic Initiatives

The Strategic Initiatives Department leads the coordination and oversight of Council’s Priorities Plan and other key strategic projects.

The department manages key intergovernmental partnerships, including the policing agreement with VicPD, municipal bylaws, and relationships with First Nations.

Through strategic planning, innovation, and continuous improvement, the department ensures alignment with Council’s vision and supports the organization in advancing long-term priorities. The department was newly formed in mid-2025 after a departmental reorganization.

INDIGENOUS RELATIONS



Staff and council members at the Signs of Lekwungen Walking Tour.

- The township was a proud sponsor of the South Island Powwow held on September 30.
- 17 staff members, along with Inspector King of VicPD and two Council members, participated in the Signs of Lekwungen Walking Tour on October 9. The tour highlights Lekwungen history and culture.
- Esquimalt Fire Rescue Services attended the Xwsepsum Nation Halloween Party on October 31, meeting community members and providing fire safety education.
- A historic partnership was announced on December 11 regarding the Island Rail Corridor in Greater Victoria. The Township of Esquimalt is a proud signatory.

BYLAW ENFORCEMENT

- The 4-year study on immunocontraception in black-tailed deer was concluded with the delivery of the final report in September 2025 to Council.
- A comprehensive Request for Proposal process took place resulting in a new 3-year contract awarded to Victoria Animal Control Services.
- Bylaw enforcement staff undertook after-hours bylaw work to better understand the service requirements and consider recommendations to Council for 2026.
- Advanced Collection Services was retained to collect on unpaid bylaw offence notices on behalf of the Township.

VicPD: Esquimalt Division

The dedicated police officers of the Esquimalt Division are committed to the residents and business community in the Township of Esquimalt. Their mission is to “deliver excellence in public safety for two diverse communities through engagement, prevention, innovative policing, and the Framework Agreement.”

The Esquimalt Division provides policing services to the Township of Esquimalt and Vic West, delivering a community-focused model built on visibility, responsiveness, and strong partnerships. Members work closely with residents, businesses, and the township to address emerging issues while maintaining a consistent, high standard of public safety. Dedicated Community Resource Officers play a critical role in this model, building relationships, supporting vulnerable populations, and connecting policing efforts with community needs.

Highlights:

- Strong community engagement through events including Coffee with a Cop, Tour de Rock, Celebration of Lights, and Lions Christmas Hamper delivery.
- High-visibility patrols in parks, and neighborhoods in response to community concerns.
- Traffic safety initiatives focused on complaint-driven enforcement and data-informed monitoring.
- Enhanced school safety through lockdown drills and expanded School Liaison Officer presence.
- Coordinated enforcement with Bylaw and EFRS during peak periods, including New Year’s Eve and park patrols.

Operations

Members responded to a range of complex incidents in 2025, including a fatal motor vehicle collision, a high-risk explosive call, and several critical incidents requiring a coordinated response involving the Greater Victoria Emergency Response Team. Investigations also addressed weapons-related incidents, stolen vehicles linked to repeat offenders, and fraud involving travelling crime groups targeting residents.

Traffic safety

The VicPD Traffic Unit, based in Esquimalt, plays a key role in advancing road safety through a balanced approach of education and enforcement. Targeted projects were conducted on Craigflower Road, Admirals Road, and Uganda Avenue following community complaints. Speeds were generally compliant, though slightly elevated in some areas. Speed reader boards were deployed to support ongoing monitoring and enforcement, particularly along Admirals Road. Officers also supported safe traffic control during major community events.

Community engagement & prevention

Officers maintained strong connections through community events, school programs, and partnerships with organizations such as the Esquimalt Lions, Esquimalt Legion, and Rainbow Kitchen. Crime prevention efforts included Crime Prevention Through Environmental Design (CPTED) assessments, graffiti reduction initiatives, and support to Block Watch. Increased patrols and joint operations with Bylaw improved compliance in parks and public spaces.

Year in review

2025 reflected a balanced approach of proactive enforcement, strong community engagement, and effective response to complex incidents. The Esquimalt Division remains committed to delivering professional, visible, and community-driven policing in support of a safe and resilient community.

2026 snapshots



Clockwise: ETAG community graffiti cleanup; VicPD's poppy campaign in Esquimalt; Esquimalt Fire members at McHappy Days; Esquimalt 5K Run/Walk; Esquimalt Fire's youth camp and posters from the Gorge Waterway cleanup.



By the numbers

CORPORATE SERVICES

- 65 agendas, notices and minutes prepared for Council, Committee of the Whole, and In Camera meetings.
- 38 Freedom of Information request responses
- 130 Archives requests for research and information
- 18 proclamations and illuminations prepared and posted to website
- 199 actionable resolutions voted on at Council and Committee of the Whole meetings
- 1,866 mail items processed for retention and distribution
- 67 new resident welcome packages delivered

BYLAW ENFORCEMENT

- 1,230 bylaw offence tickets issued
- 173 bylaw ticket warnings issued

DEVELOPMENT SERVICES

- 6 rezoning applications received
- 21 development permit applications received
- 26 development variance permit applications received
- 2 subdivision applications received
- 65 building permits issued
- 97 plumbing permit issued
- 88 zoning letters issued
- 39 building plan requests

HUMAN RESOURCES & COMMUNITY RELATIONS

- 867 business licence renewal notices
- 98 new businesses registered a business licence
- 8 Business Facade Improvement Program approvals
- 2 businesses nominated for a video series
- 37.5% reduction in WorkSafe claims
- 25.3% reduction in workday's lost due to WorkSafe injury



Staff gathered on the Day of Mourning, an annual day of remembrance for workers injured or killed at the workplace.

VICPD- ESQUIMALT DIVISION

- Total calls for service in Esquimalt: 2,823
- Total investigations: 2693

PARKS & RECREATION

- 4,774 timed memberships sold
- 3,457 punch passes sold
- 390 children enrolled in Out of School Care
- 154 youth attending the Esquimalt Teen Centre each week.
- 2,168 children enrolled in summer camps
- 2,266 children enrolled in swimming lessons
- 554 parks bookings
- 91 tree cutting/pruning permits were approved
- 51 municipal trees were removed
- 85 municipal trees were planted in natural areas
- 69 municipal trees were planted in the boulevard
- 528.5 cubic metres of invasive species were removed from parks

FIRE RESCUE SERVICES

- ~1,050 total emergency incidents
- ~560 medical emergency responses
- ~90 motor vehicle incidents
- ~45 fires (structure, vehicle, wildland)
- ~15 technical rescues
- 30+ public education sessions
- 12+ community events supported

FINANCIAL SERVICES

- 6065 tax notices issued
- 1538 tax reminder notices issued
- 1245 tax notices received electronically
- 558 property tax certificates ordered
- 7055 vendor invoices processed
- 1991 electronic fund transfer payments made
- 1160 cheque payments made



Public Works exposing utilities to repair a sewer.

ENGINEERING & PUBLIC WORKS

- 435 tonnes of asphalt placed
- 123 linear metres of sidewalks maintained
- 163 linear metres of sidewalks added
- 14 new sanitary service lateral installed
- 32 blocked sanitary service laterals repaired
- 6 new storm service laterals installed
- 11 blocked storm service lateral repaired
- 7 catchbasins replaced
- 31 traffic orders issued
- 51 development applications reviewed
- 64 building permit applications reviewed
- 1,034 tonnes of garbage collected
- 530 tonnes of kitchen scraps collected
- 1,650 tonnes of yard and garden waste collected
- 1,320 calls for service completed by Public Works

Council Priorities

Council priorities outline areas of focus for the current term. These priorities can be amended over time as some are completed and other needs arise.

These priorities are in addition to existing operational tasks and approved capital projects. The projects or initiatives in this plan fall outside of staff’s day-to-day operational or service level commitments.

The Council Priorities Plan represents Council’s direction to staff; staff use this guidance to build their workplans and deliver the results that Council is seeking. While Council retains the flexibility to modify or update the Priorities Plan at any time, the aim of a structured framework is to establish a predictable rhythm for governance review of Council’s priorities throughout the year.

COUNCIL PRIORITY THEMES



Council priority projects completed in 2025:

Project
Health Needs Assessment
Dock Analysis for future public dock
Phase 1 Esquimalt Road Active Transportation improvements on Esquimalt Road from Dominion Road to Joffre Street.
New Rectangular Rapid Flashing Beacon crosswalks installed at 5 sections of Craigflower Road.
Short term rental public engagement and report to council
Esquimalt Together Against Graffiti community initiative re-established
Integrated Resource Management analysis
Parking Strategy and Updated Parking Bylaw
Official Community Plan 2025 Updates
Improved budget documentation
Asset Management Program—Sanitary Sewer Master Plan

The complete list of the 2023–2026 Council Priorities are found on [Esquimalt.ca](https://www.esquimalt.ca)

Financial Documents

Corporation of the Township of Esquimalt

Year ended December 31, 2025

Statistical Information

**Management’s Responsibility for the
Financial Statements**

Independent Auditor’s Report

Financial Statements

DRAFT

Statistical Information
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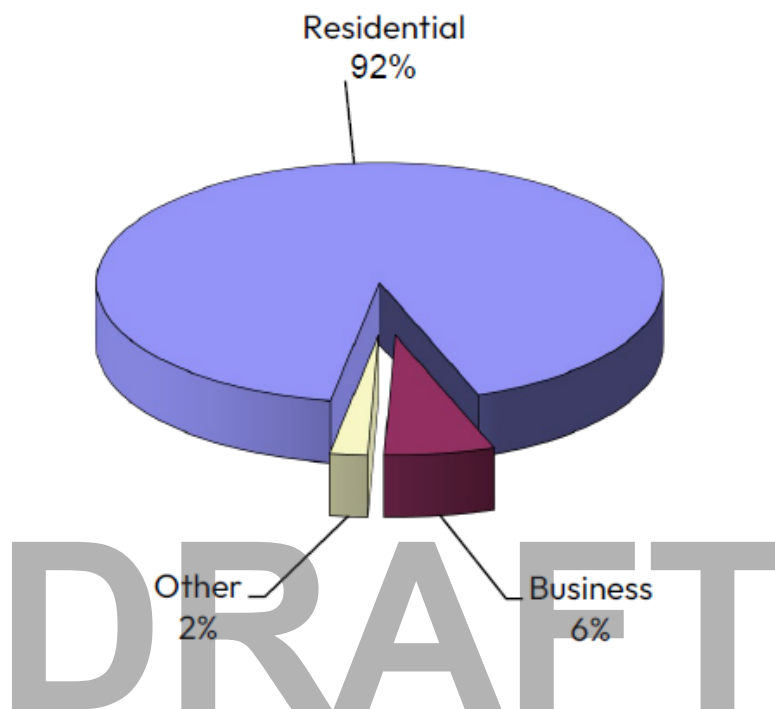


Statistical Information

As per BC Assessment Roll Tax Base Report
Taxable Assessments of Land and Improvements 2021 - 2025

2025 Assessment by Type

Source: BC Assessment



Property Class	2025	2024	2023	2022	2021
Residential	\$5,613,363,605	\$5,492,043,905	\$5,501,772,719	\$4,814,540,205	\$3,950,163,005
Utilities	2,349,800	2,165,500	1,903,100	1,978,500	2,132,800
Major Industry	83,380,400	65,802,400	66,143,700	66,164,700	45,534,800
Light Industry	40,057,900	37,096,600	32,613,500	29,651,200	16,831,500
Business	373,377,800	376,432,501	336,307,401	322,586,751	301,505,201
Recreation Non-Profit	31,412,000	29,396,400	26,218,500	23,807,200	25,349,700
	\$6,143,941,505	\$6,002,937,306	\$5,964,958,920	\$5,258,728,556	\$4,341,517,006

Statistical Information

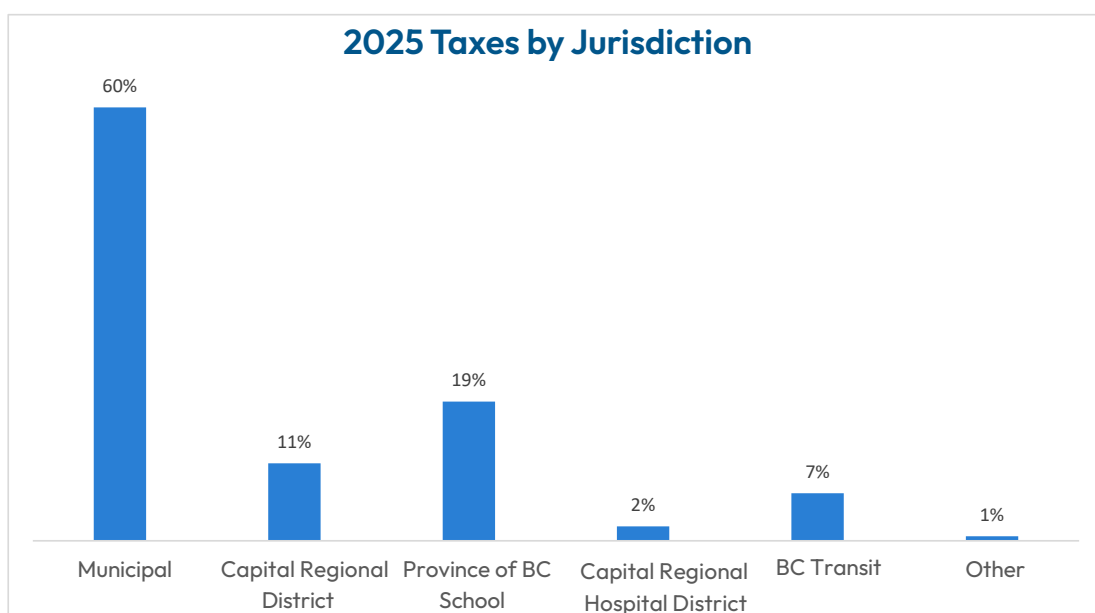
Property Tax Rates 2021 - 2025

	2025	2024	2023	2022	2021
Municipal (\$ per 1000 assessment)					
Residential	3.49816	3.17133	2.89332	3.02397	3.44892
Utilities	16.39692	16.18617	17.09798	14.99631	15.88204
Major Industry	36.35280	32.97616	33.98041	32.42480	32.84677
Light Industry	7.37026	7.25817	7.66420	7.48060	12.74421
Business & Other	8.68562	8.33739	8.67997	8.56441	9.05966
Recreation/Non-profit	3.79540	3.22994	3.23992	3.05091	3.10554
Total (\$ per 1000 assessment)					
Residential	5.73152	5.19631	4.79516	4.96199	5.78750
Utilities	33.78846	33.30579	34.71697	32.23932	34.02803
Major Industry	47.01702	42.23019	43.50888	43.58013	45.40142
Light Industry	14.62019	13.76516	13.90128	13.79871	20.87882
Business & Other	16.05464	14.91098	14.98878	14.94282	16.27736
Recreation/Non-profit	7.11017	6.30603	6.17116	5.96587	6.46505
Municipal Tax Billings by Property Class					
Residential	\$19,636,444	\$17,417,084	\$15,918,389	\$14,559,025	\$13,623,796
Utilities	38,529	35,051	32,539	29,670	33,873
Major Industry	2,437,838	1,889,614	1,819,924	1,668,930	1,321,043
Light Industry	291,927	269,253	249,956	221,809	213,469
Business & Other	3,243,018	3,138,465	2,919,138	2,762,765	2,731,535
Recreation/Non-profit	119,221	94,949	84,946	72,634	78,725
	\$25,766,977	\$22,844,416	\$21,024,892	\$19,314,833	\$18,002,441

Statistical Information

Property Tax Levied and Collected 2021 - 2025

	2025	2024	2023	2022	2021
Municipal	25,766,977	22,844,416	21,024,892	19,314,833	18,002,441
Capital Regional District	4,605,860	4,082,978	3,897,212	3,444,841	3,611,610
Province of BC School	8,276,468	7,750,833	7,433,340	6,887,146	6,601,021
Capital Regional Hospital District	858,702	859,273	854,380	834,165	897,264
BC Transit	2,830,815	2,045,685	1,387,305	1,155,999	1,072,552
BC Assessment Authority	274,797	267,005	251,419	234,198	222,351
Municipal Finance Authority	1,401	1,381	1,349	1,201	994
	\$42,615,020	\$37,851,571	\$34,849,897	\$31,872,383	\$30,408,233
Total Current Taxes Levied	42,615,020	37,851,571	34,849,897	31,872,383	30,408,233
Current Taxes Collected	41,181,055	37,071,509	34,002,642	30,865,402	29,786,935
Percentage	96.64%	97.94%	97.57%	96.84%	97.96%



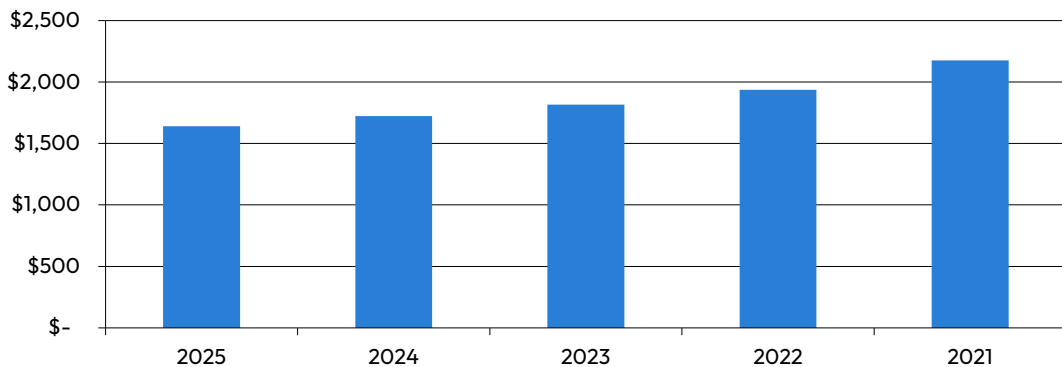
Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

Debenture Debt 2021 - 2025

	2025	2024	2023	2022	2021
Gross Outstanding Debt	\$40,592,761	\$43,048,761	\$45,848,761	\$49,848,761	\$50,500,000
Less: Repayments & Actuarial Earnings	8,555,720	9,761,920	11,106,212	13,494,204	11,609,267
Short-term Debt Payments	56,897	36,779	18,663	1,447	750,000
Net Debt	\$31,980,144	\$33,250,062	\$34,723,886	\$36,353,110	\$38,140,733
General	\$31,590,192	\$32,502,239	\$33,525,925	\$34,716,606	\$36,084,067
Sewer	389,952	747,823	1,197,961	1,636,504	2,056,666
	\$31,980,144	\$33,250,062	\$34,723,886	\$36,353,110	\$38,140,733
Debt Servicing Costs					
Property Tax Supported	\$2,228,269	\$2,328,133	\$2,300,483	\$2,321,004	\$1,120,536
Casino	-	-	164,480	275,000	275,000
Total Debt Servicing Costs	\$2,228,269	\$2,328,133	\$2,464,963	\$2,596,004	\$1,395,536
Population	19,512	19,302	19,125	18,777	17,533
Net Debt per Capita	\$1,639	\$1,723	\$1,816	\$1,936	\$2,175
Debt Servicing per Capita	\$114	\$121	\$129	\$138	\$80
Debt Service as % of Expenditures	4.38%	5.02%	5.63%	6.49%	3.87%
# of Households	8,995	8,995	8,995	8,995	8,995
Gross Debt Servicing Limit	\$12,977,775	\$12,244,817	\$11,851,406	\$11,837,842	\$11,277,881
Debt Capacity Available	\$10,749,506	\$9,916,684	\$9,386,443	\$9,241,838	\$9,882,345

Net Debt Per Capita



Source: Municipal Finance Authority
 Source: Population: Statistics Canada Census/CRD Population Growth Estimates

Statistical Information

Revenue and Expenses 2021 - 2025

Revenue	2025	2024	2023	2022	2021
Property taxes	\$ 26,036,763	\$ 23,107,556	\$ 21,295,424	\$ 19,555,729	\$ 18,243,875
Payments in place of taxes	14,875,175	13,913,268	13,263,765	12,852,521	12,883,090
Sale of services	5,830,862	5,736,768	4,574,013	4,275,962	3,070,167
Capital contributions & donations	1,456,793	183,067	248,455	337,604	297,533
Other revenue from own sources	4,546,126	5,957,662	8,715,080	9,762,059	10,749,689
Unconditional transfers from other governments	476,000	493,800	529,000	579,533	569,055
Conditional transfers from other governments	1,903,738	1,777,224	7,396,255	1,262,038	1,865,005
	\$ 55,125,457	\$ 51,169,345	\$ 56,021,992	\$ 48,625,446	\$ 47,678,414
Expenses by Function					
General government	\$ 7,286,221	\$ 6,056,287	\$ 5,535,714	\$ 5,618,059	\$ 3,970,843
Protective services	20,207,307	18,321,594	18,086,054	15,390,431	14,522,604
Transportation	5,992,542	5,599,784	4,955,221	4,979,445	4,689,341
Environmental health	2,403,888	2,369,667	1,864,858	1,823,507	1,745,606
Environmental development	1,037,539	979,996	1,096,921	810,476	829,611
Recreation, parks and culture	13,979,864	13,067,524	12,246,793	11,381,289	10,263,929
	\$ 50,907,361	\$ 46,394,852	\$ 43,785,561	\$ 40,003,207	\$ 36,021,934
Expenses by object					
Salary, wages & benefits	\$ 23,717,101	\$ 21,996,809	\$ 19,727,117	\$ 18,096,491	\$ 16,311,821
Materials, supplies and services	21,574,248	19,035,063	18,859,456	17,056,472	15,710,439
Interest and other	1,170,416	1,134,349	1,187,399	1,222,579	553,035
Amortization	4,445,596	4,228,631	4,011,589	3,627,665	3,446,639
	\$ 50,907,361	\$ 46,394,852	\$ 43,785,561	\$ 40,003,207	\$ 36,021,934

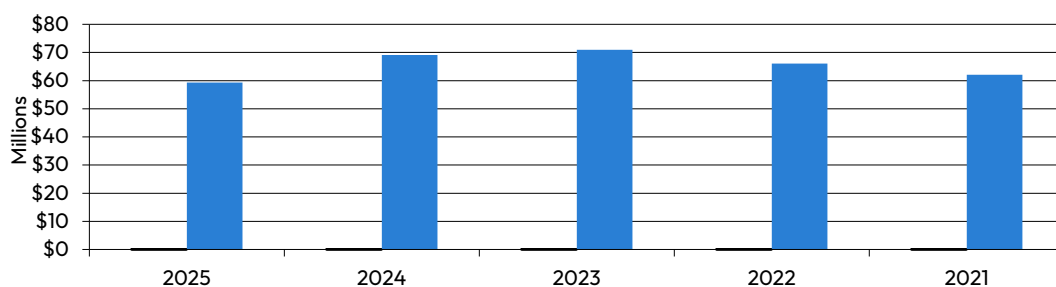
Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

Reserve Funds and Appropriated and Unappropriated Operating Funds 2021 - 2025

Description	2025	2024	2023	2022	2021
Reserve Funds					
Capital Projects	\$6,295,775	\$4,891,228	\$4,788,406	\$4,541,402	\$3,824,590
Local Improvement	240,650	229,346	214,239	199,373	190,919
Machinery and Equipment	1,599,739	2,559,506	2,189,142	2,473,172	2,597,004
Municipal Archives Trust	5,017	4,885	4,595	4,396	4,321
Parkland Acquisition	1,284,176	1,248,460	1,191,048	127,774	125,343
Tax Sale Lands	140,461	136,554	130,274	124,008	121,647
Sustainability	617,545	595,124	521,299	321,544	179,942
Eva Chafe	32,438	31,536	30,085	28,638	28,093
Infrastructure & Revitalization	1,994,680	2,691,765	2,931,956	2,632,769	2,188,391
Public Art	142,946	123,308	113,719	92,937	77,645
McLoughlin Amenity-Waterfront Parks	-	-	-	-	230,435
McLoughlin Amenity-Recreation Improvements	-	-	-	-	160,161
McLoughlin Amenity-Public Safety Facilities	-	-	-	596,116	168,265
Growing Communities Fund	5,278,237	5,131,423	4,895,432	-	-
	17,631,664	17,643,135	17,010,195	11,142,129	9,896,756
Appropriated Operating Funds					
Public safety building	24,871,303	35,489,443	40,650,000	34,650,000	34,650,000
Future expenditures	980,003	1,570,911	906,925	911,724	812,346
Casino revenue	357,261	460,661	269,079	129,135	104,920
Community Works Fund	2,705,487	2,523,308	2,273,347	4,720,995	4,639,047
Library Reserve	-	-	-	-	225,665
Community Impact Fund	620,284	534,921	448,313	363,365	293,028
Uncollected taxes	100,000	100,000	100,000	100,000	100,000
Working capital	400,000	400,000	400,000	400,000	400,000
	30,034,338	41,079,244	45,047,664	41,275,219	41,225,006
Unappropriated Operating Funds	11,691,036	10,411,833	8,866,015	13,654,779	10,947,819
TOTAL	\$59,357,038	\$69,134,212	\$70,923,874	\$66,072,127	\$62,069,581

Total Reserve Funds, Appropriated and Unappropriated Operating Funds



Statistical Information

2025 Grants

Organization	Exemption From Property Taxes	Grants	Total
Aga Khan Foundation	12,415	-	12,415
Anglican Synod of the Diocese	33,637	-	33,637
Big Brothers Big Sisters of Victoria	-	3,000	3,000
Boys and Girls Club Services of Greater Victoria	7,410	-	7,410
Buccaneer Days	-	26,557	26,557
Capital Bike Society	-	3,500	3,500
Celebration of Lights	-	4,944	4,944
Church of the Nazarene	11,254	-	11,254
Compassionate Resource Warehouse Society	16,536	-	16,536
Corporation of the City of Victoria	6,534	-	6,534
Esquimalt Anglers' Association	3,009	-	3,009
Esquimalt Archives	2,376	-	2,376
Esquimalt Farmers Market	-	24,000	24,000
Esquimalt High School	-	2,050	2,050
Esquimalt Neighbourhood House Society	15,468	-	15,468
Esquimalt Ribfest	-	11,874	11,874
Esquimalt United Church	15,179	-	15,179
Fraternal Order of Eagles	2,393	-	2,393
Gorge Waterway Action Society	-	2,000	2,000
Green Teams of Canada	-	6,000	6,000
Habitat Acquisition Trust	34,171	-	34,171
Island Community Mental Health Association	9,869	-	9,869
Island Corridor Foundation	10,645	-	10,645
L'École Victor Brodeur	-	750	750
Michael Dunhaee Keep the Hope	-	1,000	1,000
Mustard Seed Street Church	27,663	-	27,663
Need2 Crisis Intervention	-	1,200	1,200
Our Lady of the Queen Parish	12,349	-	12,349
Prostitutes Empowerment Education & Resource Society (PEERS)	5,523	-	5,523
Royal Canadian Legion Branch 172	21,802	-	21,802
Societe Francophone de Victoria	-	3,000	3,000
Township Community Arts Council	-	6,880	6,880
Ukrainian Greek Orthodox Church of St. George	5,879	-	5,879
Van Hanh Buddhist Society	7,699	-	7,699
Vancouver Island South Film & Media Commission	-	5,000	5,000
Victoria Association For Community Living	3,246	-	3,246
Victoria Jazz Society	-	15,022	15,022
Victoria Nikkei Society	-	2,000	2,000
Victoria Operatic Society	3,580	-	3,580
Victoria Rainbow Kitchen Society	-	7,500	7,500
Victoria Sexual Assault Centre	-	3,000	3,000
WITS Program (Rock Solid) Foundation	5,890	-	5,890
	274,527	129,276	403,803

Management's Responsibility for Financial Statements

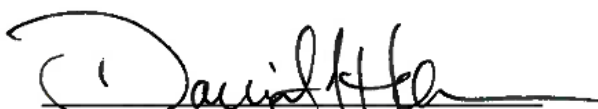
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 auditor to review the financial statements and discuss any significant financial reporting or internal control matters prior to Council's acceptance of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditor appointed by the Township. The accompanying Independent Auditor's 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

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To Mayor and Councillors of the Township of Esquimalt

Opinion

We have audited the financial statements of the Township of Esquimalt (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, 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.

Basis for Opinion

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

KPMG LLP

DRAFT

Chartered Professional Accountants

Victoria, Canada
May 5, 2026

Financial Statements

DRAFT

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Financial Position

As at December 31, 2025

	2025	2024
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 84,326,152	\$ 87,462,378
Property taxes receivable	1,971,456	1,476,570
Accounts receivable	1,163,258	2,001,048
MFA debt reserve cash (Note 12(a))	454,474	477,257
	<u>87,915,340</u>	<u>91,417,253</u>
Liabilities		
Accounts payable and accrued liabilities (Note 3)	16,106,035	11,418,246
Deferred revenue and deposits (Note 4)	11,120,392	9,657,519
Debt (Note 5)	31,980,144	33,250,062
Employee benefit and retirement obligations (Note 6)	1,737,200	1,632,371
	<u>60,943,771</u>	<u>55,958,198</u>
Net financial assets	26,971,569	35,459,055
Non-financial assets		
Tangible capital assets (Note 7)	123,586,455	110,861,103
Inventory of supplies	206,997	212,592
Prepaid expenses	198,328	212,503
	<u>123,991,780</u>	<u>111,286,198</u>
Commitments and contingencies (Note 12)		
Accumulated surplus (Note 8)	<u>\$ 150,963,349</u>	<u>\$ 146,745,253</u>

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



Director of Financial Services

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Operations and Accumulated Surplus

Year Ended December 31, 2025

	2025 Budget (Note 13)	2025	2024
Revenues			
Taxes for municipal purposes (Note 9)	\$ 25,809,460	\$ 26,036,763	\$ 23,107,556
Payments in place of taxes (Note 10)	14,656,418	14,875,175	13,913,268
Sale of services	5,167,771	5,830,862	5,736,768
Capital contributions & donations	-	1,456,793	183,067
Other revenue from own sources	2,767,800	4,546,126	5,957,662
Conditional transfers from other governments (Note 11)	2,017,767	1,903,738	1,777,224
Unconditional transfers from other governments (Note 11)	486,000	476,000	493,800
	50,905,216	55,125,457	51,169,345
Expenses			
General government	6,592,560	7,286,221	6,056,287
Protective services	19,569,126	20,207,307	18,321,594
Transportation	4,903,904	5,992,542	5,599,784
Environmental health	1,667,898	2,403,888	2,369,667
Environmental development	1,425,379	1,037,539	979,996
Recreation, parks and culture	12,228,258	13,979,864	13,067,524
	46,387,125	50,907,361	46,394,852
Annual surplus	4,518,091	4,218,096	4,774,493
Accumulated surplus, beginning of year	146,745,253	146,745,253	141,970,760
Accumulated surplus, end of year	\$ 151,263,344	\$ 150,963,349	\$ 146,745,253

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Change in Net Financial Assets

Year Ended December 31, 2025

	2025 Budget (Note 13)	2025	2024
Annual surplus	\$ 4,518,091	\$ 4,218,096	\$ 4,774,493
Contributed tangible capital assets	-	(1,158,354)	(183,067)
Acquisition of tangible capital assets	(48,970,154)	(16,675,490)	(9,159,863)
Amortization of tangible capital assets	-	4,445,596	4,228,631
Proceeds on disposal of tangible capital assets	-	642,083	-
Loss on disposal of tangible capital assets	-	20,813	23,968
	<u>(48,970,154)</u>	<u>(12,725,352)</u>	<u>(5,090,331)</u>
Acquisition of inventory supplies	-	(206,997)	(212,592)
Consumption of inventory supplies	-	212,592	201,306
Acquisition of prepaid expenses	-	(198,328)	(212,503)
Consumption of prepaid expenses	-	212,503	178,621
	<u>-</u>	<u>19,770</u>	<u>(45,168)</u>
Change in net financial debt	(44,452,063)	(8,487,486)	(361,006)
Net financial assets, beginning of year	<u>35,459,055</u>	<u>35,459,055</u>	<u>35,820,061</u>
Net financial assets (deficit), end of year	<u>\$ (8,993,008)</u>	<u>\$ 26,971,569</u>	<u>\$ 35,459,055</u>

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Cash Flows

Year Ended December 31, 2025

	2025	2024
Operating activities		
Annual surplus	\$ 4,218,096	\$ 4,774,493
Items not involving cash		
Contributed tangible capital assets	(1,158,354)	(183,067)
Amortization of tangible capital assets	4,445,596	4,228,631
Change in employee benefits and other liabilities	104,829	32,202
Actuarial adjustment on debt	(212,063)	(280,040)
Loss on disposal of tangible capital assets	20,813	23,968
Change in non-cash items		
Property taxes receivable	(494,886)	(297,016)
Accounts receivable	837,790	89,147
MFA debt reserve fund cash	22,783	21,422
Accounts payable and accrued liabilities	4,687,789	(2,129,047)
Deferred revenue and deposits	1,462,873	1,366,741
Inventory of supplies	5,595	(11,286)
Prepaid expenses and deposits	14,175	(33,882)
	13,955,036	7,602,266
Capital activities		
Acquisition of tangible capital assets	(16,675,490)	(9,159,863)
Proceeds on disposal of tangible capital assets	642,083	-
	(16,033,407)	(9,159,863)
Financing activities		
Debt principal repaid	(1,057,855)	(1,193,784)
Net change in cash and cash equivalents	(3,136,226)	(2,751,381)
Cash and cash equivalents, beginning of year	87,462,378	90,213,759
Cash and cash equivalents, end of year	\$ 84,326,152	\$ 87,462,378

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

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.

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

(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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

1. Significant accounting policies (continued)

(d) Deferred revenue (continued)

Revenue is recognized in the period when the related expenditures are incurred, services performed, or the tangible capital assets are acquired thereby extinguishing the related liability. Revenue from unilateral transactions is recognized when the ability to claim or retain an airflow of economic resources and a past transaction or event giving rise to the asset has occurred. Revenue from exchange transactions is recognized when the performance obligations have been satisfied.

(e) Property tax revenue

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

(f) Investment income

Investment income is reported as revenue in the period earned. When required by the funding government or related 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 earnings.

(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) Financial instruments

Financial instruments include cash and cash equivalents, accounts receivables, property taxes receivables, MFA debt reserve cash, accounts payables and accrued liabilities and debt.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

1. Significant accounting policies (continued)

(j) Financial instruments (continued)

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations and Accumulated Surplus. There are no unrealized changes in fair value as at December 31, 2025 and December 31, 2024. As a result, the Township does not have a Statement of Remeasurement Gains and Losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and Accumulated Surplus and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. When the asset is sold, the unrealized gains and losses previously recognized in the Statement of Remeasurement Gains and Losses are reversed and recognized in the Statement of Operations and Accumulated Surplus.

(k) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

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

Land improvements	10 - 50
Building and building improvements	5 - 70
Vehicles, machinery and equipment	3 - 30
Water and wastewater infrastructure	20 - 100
Roads infrastructure	15 - 80

1. Significant accounting policies (continued)

(k) Non-financial assets (continued)

(i) Tangible capital assets (continued)

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.

(v) Leased tangible capital

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.

(l) Asset retirement obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

1. Significant accounting policies (continued)

(l) Asset retirement obligations (continued)

The liability is initially recognized based on estimated future expenditures to retire a tangible capital asset, with the resulting costs capitalized as part of the carrying amount of the related tangible capital asset. Assumptions used in the subsequent calculations are revised yearly. The liability is discounted using a present value calculation and adjusted yearly for accretion expense. This cost is amortized following the amortization policies outlined in Note 1(k)(i) above.

(m) Liability for contaminated sites

The Township records a liability in its financial statements when contamination on non-active property exceeds an accepted environmental standard and the Township is directly responsible, or accepts responsibility, for the damage. The liability is measured at the Township's best estimate of the costs directly attributable to remediation of the contamination.

No contaminated sites liabilities have been recorded in these financial statements.

(n) Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating useful lives of tangible capital assets, asset retirement obligations and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from those estimates.

2. Cash and cash equivalents

	2025	2024
Cash and bank deposits	\$ 5,376,735	\$ 2,017,931
Municipal Finance Authority Money Market Funds	78,949,417	85,444,447
	\$ 84,326,152	\$ 87,462,378

3. Accounts payable and accrued liabilities

Accrued liabilities includes the following asset retirement obligation:

	2025	2024
Balance, beginning of year	\$ 77,411	\$ 73,880
Accretion expense	3,700	3,531
Balance, end of year	\$ 81,111	\$ 77,411

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

4. Deferred revenue and deposits

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

	2025	2024
Trust and deposit liabilities	\$ 4,875,021	\$ 4,448,597
Unearned recreation fees	858,074	653,431
Property tax instalments	2,395,934	1,812,400
Building permits	471,023	462,836
Miscellaneous	2,520,340	2,280,255
	<u>\$ 11,120,392</u>	<u>\$ 9,657,519</u>

Included in miscellaneous deferred revenue is funding from the Province of BC for local government housing initiatives to facilitate implementation and support local governments in meeting new legislative requires under Bill 44, Bill 47, Bill 46 and Bill 16.

	2025	2024
Opening balance	\$ 98,347	\$ -
Grant received	-	235,583
Eligible projects	(41,853)	(137,236)
Balance of grant, deferred	<u>\$ 56,494</u>	<u>\$ 98,347</u>

5. Debt

	2025	2024
General capital		
Bylaw 3021, public safety building, debenture debt repayable annually to 2051, at an interest rate of 2.58%	\$ 31,548,328	\$ 32,440,256
Sewer capital		
Bylaw 2565, sewer improvements, debenture debt repayable annually to 2025, at an interest rate of 0.91%	-	126,033
Bylaw 2565, sewer improvements, debenture debt repayable annually to 2026, at an interest rate of 1.53%	71,486	148,906
Bylaw 2565, sewer improvements, debenture debt repayable annually to 2027, at an interest rate of 3.90%	318,466	472,884
	<u>389,952</u>	<u>747,823</u>
General capital short term equipment financing		
Recreation fitness equipment, repayable monthly to 2027, at a variable interest rate	41,864	61,983
	<u>\$ 31,980,144</u>	<u>\$ 33,250,062</u>

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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT
Notes to Financial Statements
Year Ended December 31, 2025

5. Debt (continued)

In 2021, the Council of the Township adopted Bylaw No. 3021 to authorize the construction of a new public safety building and to borrow upon the credit of the Township a sum not to exceed \$35,000,000.

In 2022, the Council of the Township authorized the replacement of aging fitness equipment and to borrow short term upon the credit of the Township a sum not to exceed \$98,761.

Total interest on debt for the year was \$1,026,387, including accrued interest of \$246,025 (2024 - \$1,084,671, including accrued interest of \$249,987).

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 earnings on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generated by the principal payments.

Principal and interest payments and actuarial adjustments on debt for the next five years and thereafter are as follows:

2026	\$	1,132,595
2027		1,112,901
2028		947,947
2029		969,276
2030		991,085
Thereafter		<u>26,826,340</u>
Total	\$	<u>31,980,144</u>

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

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:

	2025	2024
Accrued benefit obligation, beginning of year	\$ 1,632,371	\$ 1,600,169
Service cost	145,500	145,000
Interest cost	80,200	72,900
Benefits payments	(101,600)	(210,200)
Past agreement refund accrual adjustment	(19,271)	24,502
Accrued benefit obligation, end of year	\$ 1,737,200	\$ 1,632,371

The actuarially accrued benefit obligation set out in the actuarial valuation is \$1,914,000 (2024 - \$1,774,300), resulting in a variance of \$176,800 between the obligation and the accrued benefit liability of \$1,737,200 (2024 - \$1,632,371). The variance is composed of an actuarial net loss of \$176,800 (2024 - \$201,200) and the special agreement refund accrual adjustment of \$(19,271) (2024 - \$24,502). This actuarial loss 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 \$265,700 (2024 - \$240,600).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of November 21, 2025. At December 31, 2025, 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:

	2025	2024
Discount rates	4.50%	4.30%
Expected inflation rate	3.00%	3.00%
Expected wage and salary increase, based on age and gender	0.00% - 3.40%	0.00% - 3.40%

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

6. Employee benefit and retirement obligations (continued)

Municipal Pension Plan

The Township and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The Township paid \$1,573,009 (2024 - \$1,544,930) for employer contributions while employees contributed \$1,352,273 (2024 - \$1,324,890) to the plan in fiscal 2024.

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

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, 2024. At December 31, 2024, the total plan provision for approved and unreported claims was \$31,688,000 with a net deficit of \$4,356,410. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$94,516 (2024 - \$89,355) for employer contributions in fiscal 2025.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

7. Tangible capital assets

Cost	Balance		Disposals/ transfers	Balance	
	December 31, 2024	Additions		December 31, 2025	
Land and land improvements	\$ 47,578,189	\$ 364,656	\$ -	\$ 47,942,845	
Building and building improvements	42,772,264	1,035,406	(30,298)	43,777,372	
Vehicles, machinery and equipment	15,013,982	2,240,513	(876,021)	16,378,474	
Water and wastewater infrastructure	28,320,614	751,995	-	29,072,609	
Roads infrastructure	49,855,708	4,741,710	(134,328)	54,463,090	
Work in progress	11,644,250	11,406,709	(2,707,143)	20,343,816	
Total	\$ 195,185,007	\$ 20,540,989	\$ (3,747,790)	\$ 211,978,206	

Accumulated amortization	Balance		Amortization expense	Balance	
	December 31, 2024	Disposals		December 31, 2025	
Land and land improvements	\$ 13,146,065	\$ -	\$ 440,819	\$ 13,586,884	
Building and building improvements	17,576,018	(17,572)	1,400,600	18,959,046	
Vehicles, machinery and equipment	9,677,381	(249,208)	692,628	10,120,801	
Water and wastewater infrastructure	15,305,971	-	396,910	15,702,881	
Roads infrastructure	28,618,469	(110,969)	1,514,639	30,022,139	
Total	\$ 84,323,904	\$ (377,749)	\$ 4,445,596	\$ 88,391,751	

Net book value	Balance		Balance	
	December 31, 2024		December 31, 2025	
Land and land improvements	\$ 34,432,124		\$ 34,355,961	
Building and building improvements	25,196,246		24,818,326	
Vehicles, machinery and equipment	5,336,601		6,257,673	
Water and wastewater infrastructure	13,014,643		13,369,728	
Roads infrastructure	21,237,239		24,440,951	
Work in progress	11,644,250		20,343,816	
Total	\$ 110,861,103		\$ 123,586,455	

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 \$1,158,354 during the year (2024 - \$183,067).

The Township has entered into a contract for the construction of a new public safety building. The total contract value is \$28,647,571, with estimated remaining payments of \$15,138,771 to be paid over the next fiscal year.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT
Notes to Financial Statements
Year Ended December 31, 2025

8. Accumulated surplus

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

	2025	2024
Surplus		
Equity in tangible capital assets	\$ 91,606,311	\$ 77,611,041
Unappropriated operating funds	11,691,036	10,411,833
	<u>103,297,347</u>	<u>88,022,874</u>
Appropriated operating funds		
Public safety building	24,871,303	35,489,443
Future expenditures	980,003	1,570,911
Casino revenue	357,261	460,661
Community Impact Fund	620,284	534,921
Community Works Fund	2,705,487	2,523,308
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
	<u>30,034,338</u>	<u>41,079,244</u>
Reserve funds set aside for specific purposes by Council		
Capital Projects	6,295,775	4,891,228
Local Improvement	240,650	229,346
Machinery and Equipment	1,599,739	2,559,506
Municipal Archives Trust	5,017	4,885
Parkland Acquisition	1,284,176	1,248,460
Tax Sale Lands	140,461	136,554
Sustainability	617,545	595,124
Eva Chafe	32,438	31,536
Infrastructure and Revitalization	1,994,680	2,691,765
Public Art	142,946	123,308
Growing Communities Fund	5,278,237	5,131,423
	<u>17,631,664</u>	<u>17,643,135</u>
	<u>\$ 150,963,349</u>	<u>\$ 146,745,253</u>

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

Information about the Growing Communities Fund Grant is as follows:

	2025	2024
Growing Communities Fund, beginning of year	\$ 5,131,423	\$ 4,895,432
Interest earned	146,814	235,991
	<u>\$ 5,278,237</u>	<u>\$ 5,131,423</u>

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

9. Taxes

	2025	2024
Taxes for municipal purposes:		
Property tax	\$ 25,766,977	\$ 22,844,416
Local Improvement	4,686	4,686
1% Utility tax	265,100	258,454
	\$ 26,036,763	\$ 23,107,556

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.

Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:

	2025	2024
Province of British Columbia - school purposes	\$ 8,276,468	\$ 7,750,833
Capital Regional District - requisition	4,605,860	4,082,978
Capital Regional District - 9-1-1 call answer levy	45,299	49,645
Capital Regional Hospital District - requisition	858,702	859,273
British Columbia Assessment Authority	274,797	267,005
British Columbia Transit - Victoria Regional Transit Commission	2,830,815	2,045,685
Municipal Finance Authority	1,401	1,381
	\$ 16,893,342	\$ 15,056,800

10. Payments in place of taxes

	2025	2024
Payments in place of taxes received for municipal purposes:		
Federal government	\$ 14,711,320	\$ 13,759,850
British Columbia Hydro & Power Authority	160,227	150,240
Provincial Rental Housing Corporation	3,628	3,178
	\$ 14,875,175	\$ 13,913,268

Payments in place of taxes collected on behalf of the following agencies are not included in these statements:

	2025	2024
Province of British Columbia - school purposes	\$ 3,078,858	\$ 2,969,281
Capital Regional District	2,498,126	2,231,323
Capital Regional Hospital District	338,614	344,338
British Columbia Assessment Authority	167,091	167,506
British Columbia Transit - Victoria Regional Transit Commission	1,654,451	1,218,272
Municipal Finance Authority	553	558
	\$ 7,737,693	\$ 6,931,278

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

11. Transfers from other governments

	2025	2024
Conditional transfers from other governments		
Federal	\$ 862,457	\$ 1,010,874
Provincial	934,233	684,350
Other agencies	107,048	82,000
	1,903,738	1,777,224
Unconditional transfers from other governments		
Small communities protection	172,000	196,800
Traffic fine revenue sharing	304,000	297,000
	476,000	493,800
	\$ 2,379,738	\$ 2,271,024

12. Commitments and contingencies

(a) 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 \$454,474 (2024 - \$477,257) 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, 2025, there were contingent demand notes of \$621,757 (2024 - \$677,371), 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.

(b) 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.

(c) 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.

(d) The Township entered into a long-term contract with the City of Victoria and the Victoria and Esquimalt Police Board (the "Police Board") effective January 1, 2014 and extending until December 31, 2023. During the year, a one year contract extension was negotiated to December 31, 2025 with the option of one remaining extension. Under the terms of this contract, the Township will continue to fund a percentage of the annual police budget. No other conditions of the initial contract have changed.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

12. Commitments and contingencies (continued)

- (e) In February 2017, the Township entered into agreements with the Capital Regional District related to the hosting for the Core Area Wastewater Treatment Facility. These agreements outline the amenities to be received by the Township, which include annualized payments for the duration of the facility's useful life, allowances for the restoration of transportation infrastructure and funding to be used for the purposes of public safety, recreation facility and waterfront park improvements. For 2025, the Township received an annualized payment of \$69,958 (2024 - \$67,986).
- (f) The Township entered into a five year agreement with the City of Surrey effective September 19, 2023. Under the terms of the agreement, the City of Surrey will provide emergency dispatch and non-emergency after hour call answering services for the Township. The annual charge to the Township will be based on actual costs for the calendar year, including any adjustments for changes in calls for service, labour costs, and inflation costs as determined in the agreement. In 2025, the Township paid \$76,041 (2024 - \$66,000).
- (g) 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.

13. Budget

The budget presented in these financial statements is based upon the 2025-2029 Financial Plan Bylaw adopted by Council on May 5, 2025 and has been adjusted to comply with Canadian Public Sector Accounting Standards. The table below reconciles the budget approved in the financial plan bylaw to the budget reported in these financial statements.

Financial Plan budgeted surplus (deficit) for the year	\$	-
Add		
Capital expenditures		48,970,154
Debt repayments		1,057,384
Transfers to reserves		3,513,725
Transfers to operating reserves		1,253,357
Less		
Transfers from reserves		(7,511,171)
Transfers from surplus		(6,000,000)
Transfers from operating reserves		(6,567,726)
Proceeds from debt		(30,197,632)
Budgeted surplus as presented in financial statements	\$	<u>4,518,091</u>

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

14. Financial risks and concentration of credit risk

(a) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Township is exposed to credit risk with respect to the cash and cash equivalents, property taxes receivable, accounts receivable, and MFA debt reserve cash.

The Township assesses, on a continuous basis, accounts receivable, and property taxes receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Township at December 31, 2025 is the carrying value of these assets.

The carrying amount of accounts receivable and property taxes receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Accumulated Surplus. Subsequent recoveries of impairment losses related to accounts receivable and property taxes receivable are credited to the Statement of Operations and Accumulated Surplus. The balance of the allowance for doubtful accounts at December 31, 2025 is \$nil (2024 - \$nil).

As at December 31, 2025, \$57,124 (2024 - \$172,096) of trade accounts receivable were past due, but not impaired.

There have been no significant changes to credit risk exposure from 2024.

(b) Liquidity risk

Liquidity risk is the risk that the Township will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Township manages its liquidity risk by monitoring its operating requirements. The Township prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

The contractual maturities of short and long-term debt are disclosed in Note 5.

There have been no significant changes to liquidity risk exposure from 2024.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or tariffs, will affect the Township's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investment.

14. Financial risks and concentration of credit risk (continued)

(c) Market risk (continued)

(i) Foreign exchange risk

Foreign exchange risk arises as a result of exchange rate fluctuations and the volatility of these rates. The Township does not have any material transactions during the year or financial instruments denominated in foreign currencies at year end.

There have been no significant changes to the foreign exchange risk exposure from 2024.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

There may be interest rate risk on long term debt issued by the Municipal Finance Authority as rates may be reset after the end of the first ten year term, followed by subsequent interest rate resets every five years thereafter. Interest on short term debt is based on floating interest rates. The Township's debt is disclosed in Note 5.

There has been no change to the interest rate risk exposure from 2024.

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 community safety and 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

15. Segmented information (continued)

(b) Protective Services (continued)

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.

(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 compost. 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 for co-ordinating and leading efforts to enhance our neighbourhoods, fostering arts and culture, and working 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

14. Segmented information (continued)

	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	2025
Revenues:							
Taxation	\$ 40,911,938	\$ -	\$ -	\$ -	\$ -	\$ -	40,911,938
Goods and services	5,689,033	143,493	411,359	704,339	12,921	4,872,636	11,833,781
Government transfers	1,332,110	389,986	384,850	-	41,853	230,939	2,379,738
Total revenue	47,933,081	533,479	796,209	704,339	54,774	5,103,575	55,125,457
Expenses:							
Salary and wages	3,814,756	7,214,929	2,636,835	662,543	880,773	8,507,265	23,717,101
Materials, supplies and services	2,800,949	11,862,156	1,467,605	1,132,323	156,766	4,154,449	21,574,248
Interest and other	33,736	903,000	1,782	231,898	-	-	1,170,416
Amortization	636,780	227,222	1,886,320	377,124	-	1,318,150	4,445,596
Total expenses	7,286,221	20,207,307	5,992,542	2,403,888	1,037,539	13,979,864	50,907,361
Annual surplus (deficit)	\$ 40,646,860	\$ (19,673,828)	\$ (5,196,333)	\$ (1,699,549)	\$ (982,765)	\$ (8,876,289)	\$ 4,218,096

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CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year Ended December 31, 2025

14. Segmented information (continued)

	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	2024
Revenues:							
Taxation	\$ 37,020,824	\$ -	\$ -	\$ -	\$ -	\$ -	37,020,824
Goods and services	5,962,552	155,783	549,895	577,378	58,000	4,573,889	11,877,497
Government transfers	1,471,563	297,000	91,744	-	-	410,717	2,271,024
Total revenue	44,454,939	452,783	641,639	577,378	58,000	4,984,606	51,169,345
Expenses:							
Salary and wages	3,432,401	6,575,424	2,532,643	564,868	839,204	8,052,269	21,996,809
Materials, supplies and services	1,913,009	10,612,682	1,389,205	1,249,354	140,792	3,730,021	19,035,063
Interest and other	45,891	903,000	3,786	153,365	-	28,307	1,134,349
Amortization	664,986	230,488	1,674,150	402,080	-	1,256,927	4,228,631
Total expenses	6,056,287	18,321,594	5,599,784	2,369,667	979,996	13,067,524	46,394,852
Annual surplus (deficit)	\$ 38,398,652	\$ (17,868,811)	\$ (4,958,145)	\$ (1,792,289)	\$ (921,996)	\$ (8,082,918)	\$ 4,774,493