



**2011
STATEMENT OF
FINANCIAL
INFORMATION**

(Pursuant to the Financial Information Act)

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2011 Statement of Financial Information

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THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2011 Statement of Financial Information

Statement of Financial Information Approval

The undersigned, as authorized by the *Financial Information Regulation, Schedule 1, Subsection 9(2)*, approves all the statements and schedules included in this *Statement of Financial Information*, produced as required by the *Financial Information Act*.



Laurie Hurst, CGA
Chief Administrative Officer

June 25, 2012



Barbara Desjardins
Mayor

June 25, 2012

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
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Schedule of Debts

The Schedule of Debts has not been prepared as the requisite information appears in Note 4 to the attached financial statements.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
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Schedule of Guarantee and Indemnity Agreements (unaudited)

There are no Financial Guarantee and Indemnity Agreements in place which required government approval prior to being given under the Financial Administration Act.

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Schedule of Grants and Contributions (unaudited)

Organization	Amount (\$)
2483 PPCLI Army Cadet Corps - Parents Sponsoring Committee	750
B.C. Sustainable Energy Association	3,000
Big Brothers Big Sisters of Victoria	7,500
Bike to Work Society	1,500
Boys and Girls Club Services of Greater Victoria	7,000
Capital Region Good Food Society	1,000
City of Victoria - Canada Day Celebrations	2,000
Committee to Host Provincial NIFT	1,000
Community Social Planning Council of Greater Victoria	3,221
Creative Peace Mural Society	750
Crisis Intervention and Public Information Society of Greater Victoria (NEED)	2,100
Esquimalt High School	1,050
Esquimalt High School - Athletic Team Funding	2,750
Esquimalt High School - Coast Salish Art Project	1,000
Esquimalt High School - Terry Fox Scholarship	500
Esquimalt High School - Township of Esquimalt Scholarship	500
Esquimalt Lantern Festival Society	4,000
Esquimalt Neighbourhood House Society	17,000
Esquimalt Resident Association	863
Friends of Living & Learning Through Loss	2,000
Greater Victoria Film Commission	1,000
Greater Victoria Harbour Society	1,000
Greater Victoria Volunteer Society (Victoria Volunteer Bureau)	2,416
L'Ecole Victor Brodeur	750
Macaulay Elementary School Parents' Advisory Council - Crossing Guard	13,410
Maritime Museum of British Columbia Society	1,000
Michael Dunahee Keep the Hope Alive Drive	2,100
Ocean's Day Festival Society	2,500
Our Place Society	3,700
Prostitutes Empowerment Education & Resource Society	2,000
Rockheights Middle School	1,500
Shoreline Community Middle School	2,500
South Island Dispute Resolution	1,000
St. John Ambulance Association	880
Tourism Victoria	2,112
Victoria Rainbow Kitchen Society	6,000
Victoria Restorative Justice	10,000
World Fisheries Trust	1,000
	<hr/>
Total (38)	<u>114,352</u>

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
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Schedule of Employee Remuneration and Expenses (unaudited)

Name	Department	Remuneration (\$)	Expenses (\$)	
Abbott	Gregory	Emergency Services - Fire	75,261.57	-
Anderson	Gordon	Emergency Services - Fire	112,829.33	6,380.18
Blakely	Karen	Financial Services	101,887.55	1,107.59
Buie	Chris	Emergency Services - Fire	96,324.33	1,370.46
Byron	Jeffrey	Parks & Recreation	97,594.30	2,699.63
Campbell	Thomas	Emergency Services - Fire	111,571.05	3,905.52
Carragher	Christopher	Emergency Services - Fire	92,173.70	628.00
Denegar	Jeremy	Information Technology	97,390.50	-
Greensill	Vince	Emergency Services - Fire	114,955.08	344.83
Halliday	Alexander	Emergency Services - Fire	96,623.54	598.80
Hartman	Scott	Parks & Recreation	120,206.79	37.73
Hurst	Laurie	Chief Administrative Officer	163,624.74	6,623.17
Hutchinson	Jason	Emergency Services - Fire	96,012.65	1,442.00
Katschor	Andrew	Parks & Recreation	86,120.61	-
Martin	Wayne	Engineering & Public Works	89,321.98	3,068.19
Mavrikos	Elias	Emergency Services - Fire	84,088.24	972.83
McGregor	George	Emergency Services - Fire	112,186.39	3,404.71
Miller	Jeffrey	Engineering & Public Works	120,365.65	3,310.84
Mulcahy	Patrick	Human Resources	115,933.42	670.47
Parkes	Trevor	Development Services	77,610.08	-
Payne	Corey	Emergency Services - Fire	80,495.24	661.83
Ralph	Mark	Emergency Services - Fire	92,455.81	2,198.92
Robinson	Spencer	Emergency Services - Fire	98,638.37	790.15
Rosales	Angelo	Emergency Services - Fire	113,648.56	1,823.00
Saladana	Troy	Emergency Services - Fire	112,769.24	1,086.50
Shields	Kevin	Emergency Services - Fire	94,143.80	2,600.82
Small	Gibbon	Emergency Services - Fire	111,084.94	1,103.96
Smith	Bradley	Emergency Services - Fire	103,537.74	-
Snyder	Barbara	Development Services	119,566.15	1,912.21
Turner	Mary	Financial Services	99,783.31	467.43
Vanbuskirk	Peter	Emergency Services - Fire	93,802.12	221.32
Ward	David	Emergency Services - Fire	129,833.38	342.63
Wieler	Wilhelm	Engineering & Public Works	92,283.59	11,044.08
Woods	Thomas	Emergency Services - Fire	94,372.54	2,047.25
Zado	Andrew	Emergency Services - Fire	82,582.89	1,094.56
Aggregate over \$75,000 (35)			3,581,079.18	63,959.61
Aggregate under \$75,000 (303)			6,284,144.98	51,686.94
Total (338)			<u>9,865,224.16</u>	<u>115,646.55</u>

The Schedule of Employee Remuneration has been prepared on a cash basis. The financial statements have been prepared on an accrual basis, and no reconciliation of this schedule with the financial statements has been prepared.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
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Schedule of Council Remuneration and Expenses (unaudited)

Name		Remuneration (\$)	Expenses (\$)
Brame	Meagan	11,273.60	2,013.66
Desjardins	Barbara	25,056.20	3,992.53
Garrison	Randall	3,187.41	192.31
Gaul	Alison	10,623.20	-
Hodgins	E. David	650.40	-
Hundleby	Lynda	11,273.60	3,021.69
Linge	Donald	10,623.20	-
McIldoon	Bruce	10,623.20	2,638.63
McKie	Robert	650.40	40.65
Morrison	Timothy	650.40	-
Schinbein	David	650.40	-
		<u>85,262.01</u>	<u>11,899.47</u>

The Schedule of Council Remuneration has been prepared on a cash basis. The financial statements have been prepared on an accrual basis, and no reconciliation of this schedule with the financial statements has been prepared.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2011 Statement of Financial Information

Statement of Severance Agreements (unaudited)

There was one severance agreement under which payment commenced between the Corporation of the Township of Esquimalt and its non-unionized employees during the fiscal year 2011.

The agreement represented three months compensation.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2011 Statement of Financial Information

Schedule of Payments to Suppliers for the Provision of Goods and Services (unaudited)

Supplier Name	Amount (\$)
3Si Risk Strategies Inc.	112,110.58
Acme Supplies Ltd.	71,384.75
Aggressive Excavating Ltd.	633,540.17
Al Sutherland Consulting Ltd.	71,284.05
Andrew Sheret Ltd.	25,761.55
Aon Reed Stenhouse Inc.	91,085.00
BC Hydro	312,264.31
Black Press Group Ltd.	38,117.28
Campbell Construction Ltd.	272,292.11
Canteen Composting	68,685.05
Canada Chair Company	57,159.31
CRD Bylaw Enforce & Animal Control	71,577.98
Capital Regional District	120,918.07
Chevron Canada Limited	113,356.53
Clive Freundlich, CGA	53,992.40
Dell Canada Inc.	36,459.02
Duncan Electric Motor Ltd.	31,354.42
Ellice Recycle Ltd.	62,110.62
Emery Electric Ltd.	36,252.46
Eric Kwan	27,290.00
ESRI Canada	50,327.20
Fantastic Cleaning	68,712.00
Fastenal Canada	32,929.57
Focus Corporation	138,067.79
Fortis BC -Natural Gas	212,386.87
Frey & Company Litigation Counsel	29,821.55
Genivar Inc.	42,546.56
Greater Victoria Public Library	635,741.62
Greenfield Design Landscaping	39,975.04
GVLRA-LTD Trust	60,783.12
H.L. Demolition & Waste Management Ltd.	426,727.65
Insurance Corporation Of BC	29,193.00
Insight Software Canada Inc.	40,482.53
Island Asphalt Company	96,118.74
Island Temperature Controls Ltd.	40,883.32
Jenner Chevrolet Oldsmobile Ltd.	46,017.44
Justice Institute Of BC	27,163.16
Kinetic Construction Ltd.	843,250.51
KPMG LLP	44,856.00
Lehigh Materials, A Division Of Lehigh Hanson Materials Ltd.	75,527.93

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2011 Statement of Financial Information

Schedule of Payments to Suppliers for the Provision of Goods and Services (unaudited)

Supplier Name	Amount (\$)
Levelton Consultants Ltd.	45,944.59
McRae's Environmental Services Ltd.	54,866.99
MFA Leasing Corp.	61,482.85
Monk Office Supply Ltd.	38,117.43
Medical Services Plan Of BC	128,847.00
Municipal Insurance Association of BC	165,747.23
Pacific Audio Works	42,582.13
Pacific Blue Cross	340,178.26
Pension Corporation-Municipal Pension Plan	1,472,005.35
Raylec Power Ltd	46,449.81
Receiver General for Canada-Payroll	2,605,892.30
Shaw Cablesystems Ltd.	26,704.16
Staples McDannold Stewart In Trust	307,928.50
Telus Communications	28,347.07
Telus Mobility	37,263.31
Tempest Development Group	25,227.51
Terasen Gas	53,353.47
Terry E. Duncan	30,918.64
The Corporation of the City of Victoria	6,224,359.35
The Corporation of the District of Saanich	90,444.39
Trapeze Communications Inc.	29,521.52
Trio Ready-Mix (1971) Ltd.	27,985.78
Urban Systems Ltd.	35,143.37
Van Isle Water Services Ltd.	35,293.94
Workers' Compensation Board of BC	173,941.03
Aggregate over \$25,000 (65)	17,417,053.24
Aggregate under \$25,000 (692)	1,888,933.25
Total (757)	<u>19,305,986.49</u>

The Schedule of Payments to Suppliers for the Provision of Goods and Services has been prepared on a cash basis, and due to the limitations imposed by the Township's accounts payable system includes certain disbursements that are not purchases of goods and services. The financial statements have been prepared on an accrual basis, and no reconciliation of this schedule with the financial statements has been prepared.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2011 Statement of Financial Information

Management Letter

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

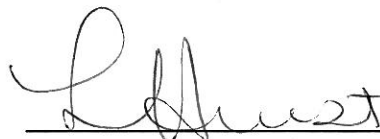
The Township's accounting systems and related internal controls and supporting processes and procedures are designed and maintained to provide reasonable assurance that financial information is complete and accurate, and assets are safeguarded from loss. The procedures include the establishment of an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

The Township's Council oversees management's internal control and financial reporting responsibilities. Council reviews and approves the Township's financial statements, and meets with management and its independent auditors to satisfy themselves that management's responsibilities are properly discharged.

KPMG LLP, Chartered Accountants, the independent auditors appointed by Council examined the financial statements and issued their Audit Report. The auditors have full and unrestricted access to Council to discuss their audit and their related findings.



Mary Turner
Deputy Director of Financial Services



Laurie Hurst, CGA
Chief Administrative Officer

Financial Statements of

**CORPORATION OF THE
TOWNSHIP OF ESQUIMALT**

Year ended December 31, 2011

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Financial Statements

Year ended December 31, 2011

Financial Statements

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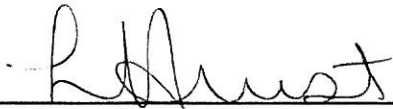
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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



Chief Administrative Officer



Acting Director of Financial Services



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

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Internet www.kpmg.ca

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Corporation of the Township of Esquimalt which comprise the statement of financial position as at December 31, 2011, the statements of operations, change in net debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Esquimalt as at December 31, 2011, and its results of operations, its change in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 14, 2012
Victoria, Canada

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Financial Position

December 31, 2011 with comparative information for 2010

	2011	2010
Financial assets:		
Cash and cash equivalents (note 2)	\$ 18,027,197	\$ 13,164,166
Property taxes receivable	676,239	609,829
Accounts receivable	725,893	859,146
Government grant receivable	413,424	1,663,707
Property acquired for taxes	-	181,200
MFA debt reserve cash (note 12(b))	188,108	181,907
	<u>20,030,861</u>	<u>16,659,955</u>
Financial liabilities:		
Accounts payable and accrued liabilities	7,167,327	7,122,288
Deferred revenue and deposits (note 3)	2,913,467	1,916,288
Long-term debt (note 4)	10,122,439	10,727,717
Obligations under capital leases (note 5)	87,708	145,170
Employee benefit and retirement obligations (note 6)	1,114,971	1,061,866
	<u>21,405,912</u>	<u>20,973,329</u>
Net debt	(1,375,051)	(4,313,374)
Non-financial assets:		
Tangible capital assets (note 7)	76,860,961	76,251,556
Inventory of supplies	104,166	92,523
Prepaid expenses and deposits	52,173	666,426
	<u>77,017,300</u>	<u>77,010,505</u>
Commitments and contingent liabilities (note 12)		
Accumulated surplus (note 8)	\$ 75,642,249	\$ 72,697,131

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



Acting Director of Financial Services

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Operations

Year ended December 31, 2011 with comparative information for 2010

	Budget (Unaudited - note 13)	2011	2010
Revenues:			
Taxes for municipal purposes (note 9)	\$ 14,044,231	\$ 14,057,224	\$ 13,245,998
Payments in place of taxes (note 10)	8,744,904	9,126,457	8,303,212
Sale of services	3,167,332	3,085,378	3,099,673
Other revenue from own sources	1,263,802	2,447,750	1,596,316
Conditional transfers from other governments (note 11)	2,174,392	1,036,409	4,852,141
Unconditional transfers from other governments (note 11)	611,062	806,811	211,887
Total revenue	30,005,723	30,560,029	31,309,227
Expenses:			
General government	3,218,345	3,108,758	3,197,530
Protective services	10,589,211	10,909,700	10,389,997
Transportation	2,288,351	3,483,071	3,185,809
Environmental health	1,150,093	1,510,825	1,458,837
Environmental development	626,515	460,351	444,685
Recreation, parks and culture	8,205,485	8,142,206	8,240,505
Total expenses	26,078,000	27,614,911	26,917,363
Annual surplus	3,927,723	2,945,118	4,391,864
Accumulated surplus, beginning of year	72,697,131	72,697,131	68,305,267
Accumulated surplus, end of year	\$ 76,624,854	\$ 75,642,249	\$ 72,697,131

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Change in Net Debt

Year ended December 31, 2011 with comparative information for 2010

	Budget (Unaudited - note 13)	2011	2010
Annual surplus	\$ 3,927,723	\$ 2,945,118	\$ 4,391,864
Contributed tangible capital assets		(849,447)	-
Acquisition of tangible capital assets	(5,902,174)	(2,694,695)	(8,093,964)
Acquisition of capital lease		-	(104,420)
Amortization of tangible capital assets	-	2,722,350	2,400,967
Proceeds on sale of tangible capital assets		-	5,626
Loss on disposal of tangible capital assets		212,387	285,331
	(5,902,174)	(609,405)	(5,506,460)
Acquisition of inventory and supplies		(104,166)	(92,523)
Consumption of inventory and supplies		92,523	78,787
Acquisition of prepaid expenses		(52,173)	(666,426)
Consumption of prepaid expenses		666,426	754,174
		602,610	74,012
Change in net debt	(1,974,451)	2,938,323	(1,040,584)
Net debt, beginning of year	(4,313,374)	(4,313,374)	(3,272,790)
Net debt, end of year	\$ (6,287,825)	\$ (1,375,051)	\$ (4,313,374)

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, 2011 with comparative information for 2010

	2011	2010
Cash provided by (used in):		
Operating activities		
Annual surplus	\$ 2,945,118	\$ 4,391,864
Items not involving cash:		
Contributed tangible capital assets	(849,447)	-
Amortization of tangible capital assets	2,722,350	2,400,967
Change in employee benefits and other liabilities	53,105	66,174
Actuarial adjustment on debt	(157,450)	(130,682)
Loss on disposal of tangible capital assets	212,387	285,331
Change in non-cash operating assets and liabilities:		
Property taxes receivable	(66,410)	(186,984)
Tax sale receivable	-	-
Accounts receivable	133,253	(95,291)
Government grant receivable	1,250,283	(695,685)
Property acquired for taxes	181,200	-
MFA debt reserve fund cash	(6,201)	(5,723)
Accounts payable and accrued liabilities	45,039	(128)
Deferred revenue and deposits	997,179	674,056
Inventory of supplies	(11,643)	(13,736)
Prepaid expenses and deposits	614,253	87,748
	8,063,016	6,777,911
Capital activities:		
Acquisition of tangible capital assets	(2,694,695)	(8,093,964)
Proceeds on disposal of tangible capital assets	-	5,626
	(2,694,695)	(8,088,338)
Financing activities:		
Capital lease principal repaid	(57,462)	(56,480)
Long-term debt principal repaid	(447,828)	(447,828)
	(505,290)	(504,308)
Increase (decrease) in cash and cash equivalents	4,863,031	(1,814,735)
Cash and cash equivalents, beginning of year	13,164,166	14,978,901
Cash and cash equivalents, end of year	\$ 18,027,197	\$ 13,164,166
Supplemental cash flow information:		
Cash paid for interest	\$ 680,635	\$ 680,135
Cash received from interest	318,740	227,457
Assets acquired under capital lease	-	104,420

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, 2011

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 incorporate ' a. These include administrative, protective, transportation, environmental, recreational, water, sewer and tiscal 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 Canadian Institute of Chartered Accountants. 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.

(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.

Casino revenues are required to be spent on eligible expenditures as defined in the agreement with the provincial government. The gross revenue received is deferred and recorded as revenue when the related expenditures are incurred.

(c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenditures are not yet incurred are included in deferred revenue.

(d) Deferred revenue:

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

1. Significant accounting policies (continued):

(e) 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.

(f) 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.

(g) Long-term debt:

Long-term debt is recorded net of related sinking funds balances.

(h) 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.

(i) 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(i) Tangible capital assets

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

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

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

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions including a tangible capital asset in lieu of a developer cost charge, is considered to be equal to its 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(v) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories of supplies

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

(j) Use of estimates:

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

2. Cash and cash equivalents:

	2011	2010
Cash and bank deposits	\$ 2,361,414	\$ 818,266
Municipal Finance Authority Money Market Funds	15,665,783	12,345,900
	\$ 18,027,197	\$ 13,164,166

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

3. Deferred revenue and deposits:

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

	2011	2010
Gas Tax Agreement Funds	\$ 1,044,741	\$ 535,363
Gaming revenue	206,727	263,297
Trust and deposit liabilities	489,630	160,073
Unearned recreation fees	367,720	353,511
Property tax instalments	498,284	470,731
Miscellaneous	306,365	133,313
	\$ 2,913,467	\$ 1,916,288

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

Schedule of Receipts and Disbursements of Gas Tax Agreement Funds:

	2011	2010
Opening balance	\$ 535,363	\$ 51,545
Add:		
Amounts received during the year	502,566	502,629
Interest earned	6,812	1,297
	1,044,741	555,471
Less: Eligible expenditures	-	(20,108)
Closing balance	\$ 1,044,741	\$ 535,363

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

4. Long-term debt:

Bylaw	Purpose	Matures	Rate	Original Amount	Sinking Fund	Net Balance	
						2011	2010
<u>General Capital</u>							
2492	Recreation Centre	2023-03-10	4.775%	\$ 2,800,000	\$ 818,443	\$ 1,981,557	\$ 2,102,135
2492	Recreation Centre	2022-03-12	5.370%	4,000,000	1,338,990	2,661,010	2,840,410
				6,800,000	2,157,433	4,642,567	4,942,545
<u>Sewer Capital</u>							
2281	Sanitary Sewers	2012-05-11	5.850%	425,000	388,956	36,044	73,458
2565	Sanitary Sewers	2022-03-12	4.820%	2,353,000	336,647	2,016,353	2,105,527
2565	Sanitary Sewers	2022-03-12	4.430%	1,129,000	206,992	922,008	966,712
2565	Sanitary Sewers	2025-02-12	4.170%	2,012,000	452,036	1,559,964	1,642,870
2565	Sanitary Sewers	2024-02-12	4.975%	1,256,000	310,497	945,503	996,605
				7,175,000	1,695,128	5,479,872	5,785,172
				\$ 13,975,000	\$ 3,852,561	\$ 10,122,439	\$ 10,727,717

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

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

Total interest on long-term debt for the year was \$678,801, including accrued interest of \$94,670 (2010-\$678,801, including accrued interest of \$94,670).

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

4. Long-term debt (continued):

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

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

2012	\$	447,828
2013		428,132
2014		428,132
2015		428,132
2016		428,132

5. Obligations under capital lease:

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

2012	\$	48,723
2013		35,385
2014		4,744
2015		655
Total minimum payments		89,507
Less: Amounts representing interest (at prime plus 1%)		(1,799)
Present value of net minimum capital lease payments	\$	87,708

Total interest on leases for the year was \$2,423 (2010 - \$1,413).

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

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:

	2011	2010
Accrued benefit obligation, beginning of year	\$ 1,061,866	\$ 995,692
Service cost	72,900	74,100
Interest cost	39,300	44,300
Benefits payments	(50,400)	(22,600)
Past agreement refund accrual	(8,695)	(29,626)
Accrued benefit liability, end of year	\$ 1,114,971	\$ 1,061,866

The actuarially accrued benefit obligation set out in the actuarial valuation is \$948,800 (2010 - \$835,600), resulting in a variance of \$166,171 between the obligation and the accrued benefit liability of \$1,114,971 (2010 - \$1,061,866). The variance is composed of the following two amounts: an actuarial net gain of \$149,700 (2010 - \$219,500) and the special agreement refund accrual of \$16,471 (2010 - \$6,766). This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 11 years. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$93,800 (2010 - \$109,100).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2010. At December 31, 2011, 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:

	2011	2010
Discount rates	3.60%	4.50%
Expected inflation rate	2.50%	2.50%
Expected wage and salary increase, based on age and gender	2.58% - 4.63%	2.58% - 4.63%

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

6. Employee benefit and retirement obligations (continued):

Municipal Pension Plan

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1.024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$824,476 (2010 - \$828,618) for employer contributions while employees contributed \$652,565 (2010 - \$659,196) to the plan in fiscal 2011.

GVLRA - CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employee locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2011. At December 31, 2011, the total plan provision for approved and unreported claims was \$17,077,500 with a net deficit of \$5,359,196. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$29,680 (2010 - \$30,482) for employer contributions in fiscal 2011.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

7. Tangible capital assets:

Cost	Balance December 31, 2010	Additions	Disposals/ transfers	Balance December 31, 2011
Land and land improvements	\$ 37,893,440	\$ 1,447,565	\$ -	\$ 39,341,005
Building and building improvements	18,761,255	1,370,219	(238,173)	19,893,301
Vehicles, machinery and equipment	7,878,431	88,302	(6,150)	7,960,583
Water and wastewater infrastructure	20,179,665	1,142,736	-	21,322,401
Roads infrastructure	32,020,637	2,336,713	(733,427)	33,623,923
Work in progress	3,279,852	425,740	(3,267,133)	438,459
Total	\$ 120,013,280	\$ 6,811,275	\$ (4,244,883)	\$ 122,579,672

Accumulated amortization	Balance December 31, 2010	Disposals	Amortization expense	Balance December 31, 2011
Land and land improvements	\$ 9,203,829	\$ -	\$ 163,370	\$ 9,367,199
Building and building improvements	6,766,983	(75,524)	633,723	7,325,182
Vehicles, machinery and equipment	3,807,850	(6,150)	469,777	4,271,477
Water and wastewater infrastructure	9,682,044		348,065	10,030,109
Roads infrastructure	14,301,018	(683,689)	1,107,415	14,724,744
Total	\$ 43,761,724	\$ (765,363)	\$ 2,722,350	\$ 45,718,711

Net book value	Balance December 31, 2010	Balance December 31, 2011
Land and land improvements	\$ 28,689,611	\$ 29,973,806
Building and building improvements	11,994,272	12,568,119
Vehicles, machinery and equipment	4,070,581	3,689,106
Water and wastewater infrastructure	10,497,621	11,292,292
Roads infrastructure	17,719,619	18,899,179
Work in progress	3,279,852	438,459
Total	\$ 76,251,556	\$ 76,860,961

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

7. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$438,459 (2010 - \$3,279,852) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets are recognized at fair market value at the date of contribution. There were contributed tangible capital assets having a value of \$849,447 during the year (2010 - \$nil).

(c) Tangible capital assets disclosed at nominal values

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

(d) Works of art and historical treasures

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

(e) Write-down of tangible capital assets

There were no write-downs of tangible capital assets during the year (2010 - \$nil).

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

8. Accumulated Surplus:

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

	2011	2010
Surplus:		
Equity in tangible capital assets	\$ 66,650,814	\$ 65,378,669
Unappropriated operating funds	2,667,772	2,896,319
Total surplus	69,318,586	68,274,988
Appropriated operating funds:		
Celebrations Rainy Day	8,000	8,000
Future expenditures	226,874	416,133
Property acquired for taxes	-	181,200
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
Total appropriated operating funds	734,874	1,105,333
Reserve funds set aside for specific purposes by Council:		
Capital Projects	2,683,943	1,347,922
Local Improvement	127,860	121,915
Machinery and Equipment	2,460,723	1,596,758
Municipal Archives Trust	5,444	5,306
Parkland Acquisition	38,496	246
Tax Sale Lands	145,044	143,561
Sustainability	89,125	64,082
Eva Chafe	38,154	37,020
	5,588,789	3,316,810
	\$ 75,642,249	\$ 72,697,131

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

9. Taxes:

	2011	2010
Taxes for municipal purposes:		
Property tax	\$ 13,811,311	\$ 13,022,074
Local Improvement	4,685	-
1% Utility tax	241,228	223,924
	<u>\$ 14,057,224</u>	<u>\$ 13,245,998</u>

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

	2011	2010
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,629,749	\$ 5,606,271
Capital Regional District - requisition	1,541,363	1,463,012
Capital Regional District - 9-1-1 call answer levy	54,474	72,575
Capital Regional Hospital District - requisition	841,022	820,388
British Columbia Assessment Authority	195,789	194,711
British Columbia Transit - Victoria Regional Transit Commission	746,555	570,602
Municipal Finance Authority	591	557
	<u>\$ 9,009,543</u>	<u>\$ 8,728,116</u>

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

10. Payments in place of taxes:

	2011	2010
Payments in place of taxes received for municipal purposes:		
Federal government	\$ 9,016,826	\$ 8,172,969
British Columbia Hydro & Power Authority	93,099	114,290
Liquor Distribution Branch	14,081	13,606
Provincial Rental Housing Corporation	2,451	2,347
	<u>\$ 9,126,457</u>	<u>\$ 8,303,212</u>
Payments in place of taxes collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 2,935,092	\$ 2,949,433
Capital Regional District	1,011,872	910,580
Capital Regional Hospital District	418,096	405,904
British Columbia Assessment Authority	137,007	130,818
British Columbia Transit - Victoria Regional Transit Commission	532,175	403,974
Municipal Finance Authority	298	280
	<u>\$ 5,034,540</u>	<u>\$ 4,800,989</u>

11. Transfers from other governments:

	2011	2010
Conditional transfers from other governments:		
Federal	\$ 134,602	\$ 1,017,168
Provincial	890,458	3,810,191
Other agencies	11,349	24,782
	<u>1,036,409</u>	<u>4,852,141</u>
Unconditional transfers from other governments:		
Small communities protection	290,284	59,987
Traffic fine revenue sharing	516,527	151,900
	<u>806,811</u>	<u>211,887</u>
Total transfers from other governments	<u>\$ 1,843,220</u>	<u>\$ 5,064,028</u>

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

12. Commitments and contingent liabilities:

(a) Contractual commitments:

There were no contractual commitments at December 31, 2011.

(b) MFA debt reserve fund deposits:

Under borrowing arrangements with the MFA, the Township is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits totalling \$188,108 (2010 - \$181,907) 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. If the debt is repaid without default, the deposits are refunded to the Township. At December 31, 2011 there were contingent demand notes of \$426,971 (2010 - \$426,971), which are not recorded in the financial statements of the Township.

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

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

(e) The Township is a defendant in various lawsuits. An accrual is recorded in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation will be recorded when a liability is likely and determinable. The Township is self-insured through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the Association pay out claims in excess of premiums received, it is possible that the Township, along with the other participants, would be required to contribute towards the deficit.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

13. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2011 operating and capital budgets approved by Council on May 9, 2011. Amortization was not contemplated on the development of the budget and, as such, has not been included.

	Budget amount
Revenues:	
Operating budget	\$ 33,929,982
Less:	
Transfer from other funds	(3,666,885)
Proceeds on debt issue	(257,374)
Total revenue	30,005,723
Expenses:	
Operating budget	33,929,982
Less:	
Capital expenditures	(5,902,174)
Transfer to other funds	(1,443,580)
Debt principal payments	(506,228)
Total expenses	26,078,000
Annual surplus	\$ 3,927,723

14. 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:

(i) 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

14. Segmented Information (continued):

(ii) Protective Services:

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

The police services provided by the City of Victoria ensures 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.

(iii) Transportation Services:

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.

(iv) Environmental Health Services:

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

(v) 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

14. Segmented Information (continued):

(vi) Recreation, Parks and Culture:

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

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

14. Segmented Information (continued):

2011	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	2011
Revenue:							
Taxation	\$ 23,183,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,183,681
Goods and services	2,437,390	69,745	331,161	171,767	23,397	2,499,668	5,533,128
Government transfers	516,527	297,007	1,015,351	-	-	14,335	1,843,220
Total revenue	26,137,598	366,752	1,346,512	171,767	23,397	2,514,003	30,560,029
Expenses:							
Salary and wages	1,678,352	3,418,824	1,314,226	292,687	364,623	4,726,093	11,794,805
Materials, supplies and services	1,147,292	7,293,693	801,175	528,033	95,728	2,481,200	12,347,121
Interest and other	1,834	70,000	-	330,301	-	348,500	750,635
Amortization	281,280	127,183	1,367,670	359,804	-	586,413	2,722,350
Total expenses	3,108,758	10,909,700	3,483,071	1,510,825	460,351	8,142,206	27,614,911
Annual surplus (deficit)	\$ 23,028,840	\$ (10,542,948)	\$ (2,136,559)	\$ (1,339,058)	\$ (436,954)	\$ (5,628,203)	\$ 2,945,118

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2011

14. Segmented Information (continued):

2010	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	2010
Revenue:							
Taxation	\$ 21,549,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,549,210
Goods and services	1,585,648	53,836	331,572	133,353	11,445	2,580,135	4,695,989
Government transfers	257,502	68,432	4,733,746	-	-	4,348	5,064,028
Total revenue	23,392,360	122,268	5,065,318	133,353	11,445	2,584,483	31,309,227
Expenses:							
Salary and wages	1,580,214	3,443,102	1,360,141	324,451	316,260	4,783,287	11,807,455
Materials, supplies and services	1,361,851	6,842,110	649,212	476,178	128,425	2,571,030	12,028,806
Interest and other	1,334	-	-	330,301	-	348,500	680,135
Amortization	254,131	104,785	1,176,456	327,907	-	537,688	2,400,967
Total expenses	3,197,530	10,389,997	3,185,809	1,458,837	444,685	8,240,505	26,917,363
Annual surplus (deficit)	\$ 20,194,830	\$ (10,267,729)	\$ 1,879,509	\$ (1,325,484)	\$ (433,240)	\$ (5,656,022)	\$ 4,391,864