

Township of
ESQUIMALT

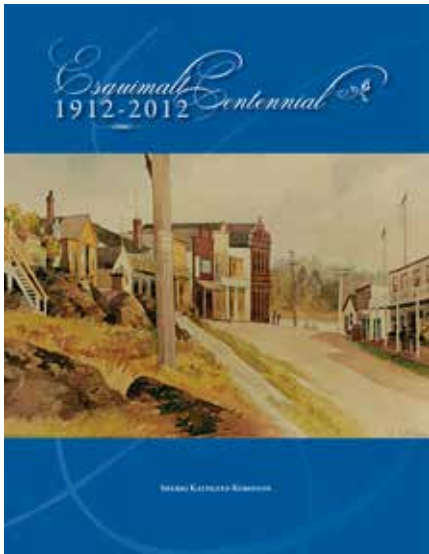


2012 Annual Report

For the year ended December 31, 2012

100 ESQUIMALT 1912-2012

Honouring our Past. Celebrating our Present. Imagining our Future





Township Organizational Values

The following organizational values will guide Council and staff as they work towards achieving strategic goals and realizing Esquimalt's community vision:

Openness – We are open and transparent with our information, process, and communication to our customers, community, the public, and one another, except where clearly prohibited.

Fiscal and Performance Accountability – We are accountable to our community, the Municipality, and our work teams for the work we do and taxpayer's money we spend. We do this through long term planning, setting measurable performance goals, performance reviews, and regular feedback about our work to our leaders, community, and customers. We value hard work and achievement of organizational goals.

Team Work – We work as members of teams, understanding that individuals, divisions, and departments that work together achieve high quality results and provide exceptional service.

Respect – As public servants we treat all residents, customers, co-workers, and viewpoints with the respect that we would have accorded to ourselves.

Customer Service – We are in the business of providing exceptional service to our community, customers, and co-workers.

Integrity and Trust – We say what we mean and mean what we say. We honour our work and keep our commitments. We are worthy of the public's and each other's trust.

Innovation and Creativity – We strive for excellence as individuals and team members, and in the services that we provide to our community. We create a work environment in which we look for new solutions and experiment with innovative ways to work – even if they don't always succeed the first time. We recognize the need to be dynamic in meeting the community's changing needs. Each employee is given the opportunity to grow and develop.

Recognition – We recognize and are proud of achievements in the organization. We also recognize the need for balance in work and non-work as a value that will ultimately benefit our organization and the taxpayers of Esquimalt.

Stewardship – The work we do makes our community, the environment, and the world a better place to live for residents of today and future generations. We use our energy, skills, and resources to protect and nurture community assets for the greater good of all residents. We think and work locally, but our actions and results have global impact.



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Esquimalt: Live. Work. Play.



Esquimalt Fast Facts

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



For the First Nations people who have resided here for centuries, Esquimalt means “place of gradually shoaling waters.” The community is defined by the water and shores that surround it.

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

Historically, it was the quality of Esquimalt’s natural harbour which led to the community being selected as the site for the headquarters of the Royal Navy’s Pacific Squadron in 1865. Today, this same site serves as home to the Canadian Forces Base Esquimalt. The naval base is now the largest employer in Esquimalt, and the original town site has disappeared inside the boundaries of the Base.

Today, the compact community is the embodiment of the “live, work, play” west coast lifestyle.

Mayor's Message



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

The year was a kaleidoscope of celebration and achievement, with the Township hosting some 40 centennial events and creating important legacy projects for future generations.

From our Centennial Levee in January, to special sporting and arts events, to our Freedom of the Township parade and ceremony with our Royal Canadian Navy partners, to the Coast Salish Acknowledgement Project at Esquimalt High School, and of course to our community celebration hosted in Esquimalt Gorge Park—which captured our past, present and future in one glorious September day—2012 was a year to remember and cherish.

Our milestone celebration re-affirmed our pride of community and our identity within the region. We told the region about our past, our present and our promising future and the response was overwhelming. Thousands of people attended our centennial events, rediscovered our unique community, and joined in the milestone celebrations. Visible legacies such as the Centennial Memorial Walkway and the Centennial Book will keep our fond memories alive for generations to come. We are also looking to build on the success of the 2012 Esquimalt Shines Home and Garden Contest and create an ongoing legacy of community pride.

Aside from working to ensure a successful centennial year, a focus for Council in 2012 was to continue to improve the economic, environmental and social sustainability of the community. Our 2012 priorities included a multi-modal transportation plan, an economic development strategy, and maintenance and improvements to municipal infrastructure. I am proud to say that we have made significant progress on all of these initiatives.

With input from residents, and through careful analysis and tough decisions, we kept the 2012 tax increase to 0% for all property classes without compromising service delivery or ongoing infrastructure maintenance. We delivered a budget for the present and the future.

The 2012 provincial decision regarding provision of policing services in the Township was a disappointment to those of us who worked hard on developing a better service delivery model. That being said, we continue to work on a solution with the City of Victoria that will provide optimal community-based policing for the Township.

Development of a community economic development strategy for Esquimalt began in the fall of 2012 with the convening of the Small Business Round Table. Ultimately the strategy will have input from several sectors, including shipbuilding and defence, First Nations, small business, tourism, education and training, health and wellness, the environment, and development. A larger community economic development forum will be held in 2013 at which time residents will have an opportunity to review the work of the round tables and provide input into the strategy.

During the year we expanded the ways that residents can stay in touch with Municipal Hall by establishing new social media sites. In the coming year, there will be additional opportunities for residents to provide input on service delivery levels and to share their vision for building a vibrant future for Esquimalt.

What a rewarding year full of celebration and accomplishment. I'd like to thank my Council colleagues, Township staff, our municipal committees and residents of Esquimalt for making Esquimalt the envy of our region.

A handwritten signature in black ink that reads "Barbara Desjardins".

Barbara Desjardins
Mayor of the Township of Esquimalt

Mayor and Council



Barb Desjardins - Mayor

Appointments

Capital Regional District Board / Hospital Board
 Capital Regional District Core Area Liquid Waste Management Committee
 Capital Regional District Environmental Sustainability Committee
 Capital Regional District Finance and Corporate Services Committee
 Capital Regional District Solid Waste Advisory Committee
 Capital Regional District Transportation Select Committee
 Greater Victoria Harbour Authority
 Greater Victoria Labour Relations Association
 Local Government Treaty Committee (Te'Mexw Treaty Advisory Committee)
 Municipal Insurance Association of British Columbia
 Victoria Police Board

Internal Appointments

Centennial Celebrations Select Committee
 Department of National Defence Liaison



Meagan Brame - Councillor

Appointments

Capital Regional District Arts Committee
 Capital Region Music Awards Society
 Local Government Treaty Committee (Te'Mexw Treaty Advisory Committee) (Alternate)
 School Liaison
 Victoria/Esquimalt Harbour Society (Alternate)

Internal Appointments

Buccaneer Days Committee
 Environmental Advisory Committee
 Local Grant Committee



David Hodgins - Councillor

Appointments

Capital Regional District Water Supply Commission
 Greater Victoria Labour Relations Association (Alternate)

Internal Appointments

Arts, Culture and Special Events Advisory Committee
 Celebration of Lights Committee
 Heritage Advisory Committee
 Local Grant Committee



Lynda Hundley - Councillor

Appointments

Capital Regional District Board / Hospital Board (Alternate)
 Capital Regional District Arts Committee (Alternate)
 Capital Regional District Core Area Liquid Waste Management Committee (Alternate)
 Capital Regional District Environmental Sustainability Committee (Alternate)
 Capital Regional District Finance and Corporate Services Committee (Alternate)
 Capital Regional District Inter-Municipal Climate Action Steering Committee
 Capital Regional District Solid Waste Advisory Committee (Alternate)
 Capital Region Music Awards Society (Alternate)
 Esquimalt Chamber of Commerce
 Provincial Capital Commission

Internal Appointments

Arts, Culture and Special Events Advisory Committee
 Centennial Celebrations Select Committee
 Environmental Advisory Committee



Council dressed in period costume for the Centennial Council Evening held on October 3, 2012 in Council Chambers.

Esquimalt Mayor and Council 2011 - 2014

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



Robert McKie - Councillor

Appointments

Capital Region Emergency Services
Telecommunications(C.R.E.S.T.)
Capital Regional District Water Supply Commission
(Alternate)
Esquimalt Chamber of Commerce (Alternate)
Victoria/Esquimalt Harbour Society

Internal Appointments

Celebration of Lights Committee
Heritage Advisory Committee
Parks and Recreation Advisory Committee



Tim Morrison - Councillor

Appointments

Capital Region Housing Trust Fund Commission
Capital Regional Emergency Services
Telecommunications (C.R.E.S.T.) (Alternate)

Internal Appointments

Advisory Planning Commission Liaison
Buccaneer Days Committee
Parks and Recreation Advisory Committee



David Schinbein - Councillor

Appointments

Greater Victoria Public Library Board
Municipal Insurance Association of British Columbia
(Alternate)

Internal Appointments

Advisory Planning Commission Liaison
Esquimalt Together Against Graffiti (ETAG)
Local Grant Committee

Message from the Chief Administrative Officer



It is my pleasure to present the Township of Esquimalt's 2012 Annual Report on behalf of Corporate Administration. Following the municipal election, Council took the opportunity to complete a full review of their strategic priorities to provide renewed focus on objectives for the Township.

The Township of Esquimalt celebrated its centennial year in style with a multitude of programs and events. Among these were the grand opening of the Centennial Walkway, the publication of the Centennial Book and the Community Celebration at Esquimalt Gorge Park.

In addition to the support provided to the numerous centennial events celebrating our proud history, the efforts of our dedicated workforce allowed us to continue to provide an enviable level of service to the community in our daily operations. With a continued emphasis on public engagement, website content was refreshed, a mobile optimized website was created and corporate social media sites were launched.

A program to conduct substantive review and update of bylaws and policies commenced this year and will help to ensure that our processes and business tools remain relevant and effective. Emphasis on sustainability and the environment had staff efforts focusing on green event planning guidelines, organizing composting and recycling for centennial events, coordinating participation in Bike to Work Week and completion of an energy upgrade at the recreation centre. Staff continues to seek additional opportunities for energy conservation in municipal facilities and is committed to ensuring the Township remains a leader in energy conservation initiatives.

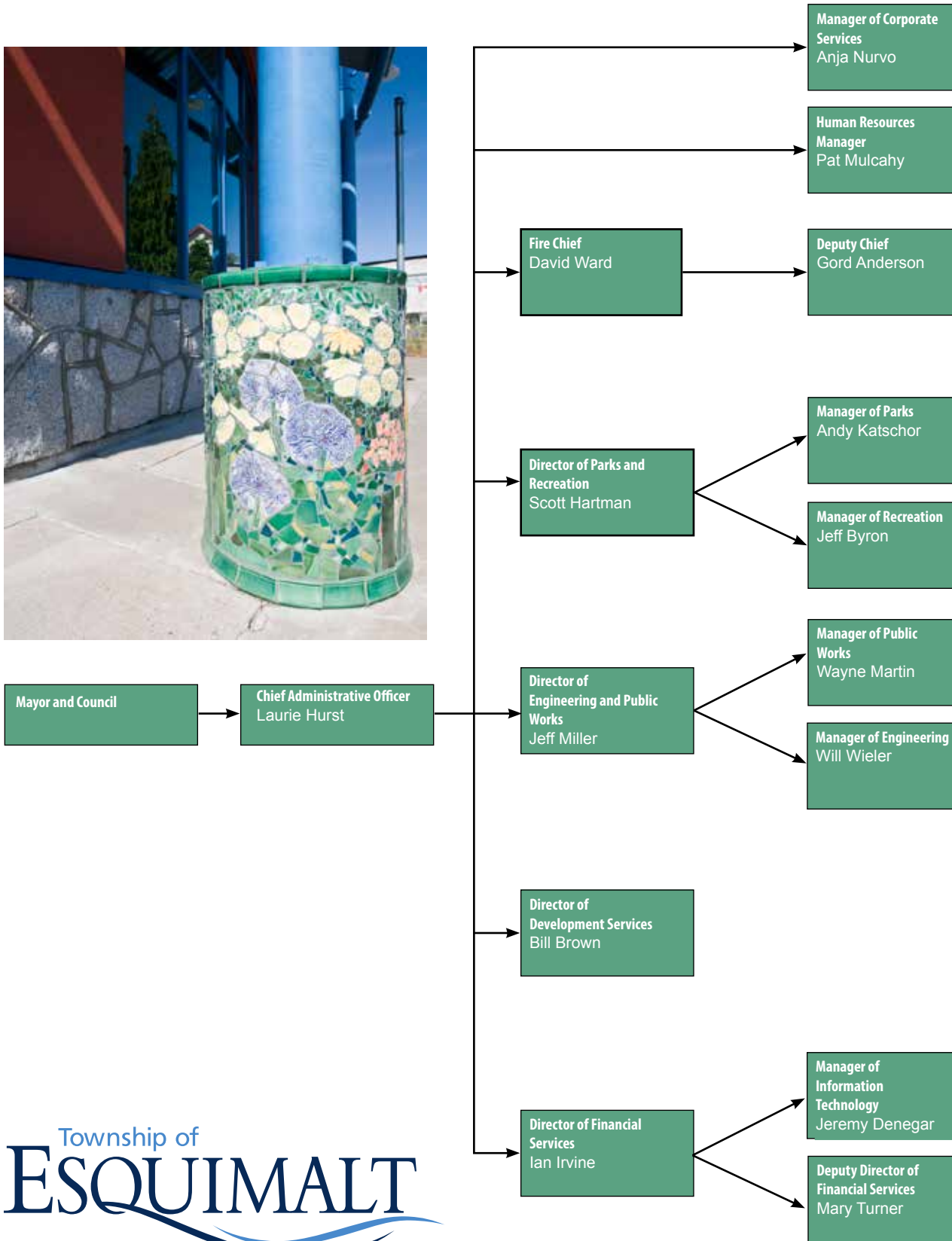
A series of round table discussions with various sectors of the community will be instrumental to the completion of an economic development strategy. Clearly defined next steps for the Esquimalt Village Project will ensure that this exciting project continues to move forward. Multi-modal transportation remained a priority for Council and as such, staff participated in regional committees, updated community sidewalk plans, developed cycling strategies and assessed infrastructure to meet the requirements under our Pedestrian Charter, completed the Craigflower Road Corridor upgrade and installed numerous new bus shelters throughout the Township. Waste management including organics, garbage pickup and wastewater treatment are issues that required staff attention this year and will continue into next year. Parks and Recreation staff continued work on the next phase of the Japanese Gardens in Esquimalt Gorge Park and were responsible for the first outdoor concert at Bullen Park.

All Township staff can take pride in the achievements of 2012 and I invite everyone to review this Annual Report, which highlights these achievements as we move forward.

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

Laurie Hurst
Chief Administrative Officer

Organizational Chart



We Value our Environment

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

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

Climate Action

As a signatory to the BC Climate Action Charter, the Township has committed to community energy efficiency, to becoming carbon neutral in its operations and to measuring and reporting on the community's greenhouse gas (GHG) emissions profile. It has also committed to report publicly on its progress toward meeting its climate action goals.

In 2012, the Township produced 1,312 tonnes of GHG emissions from its municipal operations and received a Carbon Tax Grant of \$31,610. The grant is deposited to the Sustainability Reserve Fund which will help fund future projects aimed at reducing GHG emissions.

Retrofitting of Municipal Facilities

The Township continued with the implementation of energy saving retrofits to municipal buildings. The Esquimalt Recreation Centre received a facility lighting upgrade, and both a solar ambient heating system (a first in BC) and a heat reclaim system were installed. The heat reclaim system recycles the heat from the air on the pool deck to heat the water in pools and showers.

Other 2012 Accomplishments

Bike to Work Week. The Township sponsored Bike to Work Week by participating in the celebration station at Memorial Park and hosting a bike skills course to teach adults how to cycle safely in traffic.

Earth Hour. The Township once again promoted and participated in Earth Hour for 2012. During the hour-long event, which mobilizes people to take action on climate change, Esquimalt's community-wide electricity consumption decreased by two per cent.

Green Events. The Environmental Advisory Committee organized compost and recycling collection stations at several community events during the year including the Centennial Community Celebration at Esquimalt Gorge Park.

Royal Roads University Learning Partnership. The Environmental Advisory Committee partnered with undergraduate Environmental Science students at Royal Roads University to study: 1) potential environmental concerns associated with human activity on marine and shoreline health in Esquimalt, and 2) potential community engagement programs to reduce energy use and emissions from residential buildings.

Tap by Tap. The Township funded the supply of low-flow water fixtures to three multi-unit residential buildings in Esquimalt. The new fixtures will save 2.7 million litres of water and 22 tonnes of GHG emissions annually. The Township also installed low-flow water fixtures on 53 taps in five municipal buildings which reduced water flow rates by an average of 50%.



A Community Celebrates. A Community Shines

Honouring our Past. Celebrating our Present. Imagining our Future. Our 2012 Centennial Celebrations showed visitors what residents have known for years: Esquimalt is rich in history but contemporary in outlook.

Council, staff, Centennial Celebrations Select Committee members, volunteers, sponsors and residents all came together to plan and celebrate Esquimalt Centennial 2012, an arts and culture extravaganza that lasted all year long, with concerts, sporting competitions, festivals and special events.

Centennial Celebrations

From the October 8th 2011 Centennial Kick-off to the December 8th, 2012 official opening of the Centennial Memorial Walkway, the Township hosted some 40 centennial events in celebration of Centennial 2012. On September 8th, 2012, the Township held its Centennial Community Celebration at historic Gorge Park with music on two stages, food, activities and with participation from our many community partners and organizations.

Centennial Legacies

Centennial Memorial Walkway

The Centennial Walkway in Memorial Park is a legacy and a lasting testament to the social fabric of the Township—its people, community groups and businesses. Partially funded through paver purchases by local residents, it also represents an infrastructure improvement to one of Esquimalt's most popular parks, and will be an ongoing legacy project with opportunities for residents to participate into the future. On December 8th, the walkway was officially opened by Mayor, Council and the Centennial Celebrations Select Committee with hundreds of residents in attendance.

The Centennial Book

The Centennial Book "Esquimalt Centennial, 1912 to 2012" written by Sherri Robinson, well-known historian and writer, is a tangible legacy of our history, our pioneers, and their stories. The book features wonderful archival photos that remind us how Esquimalt has changed from a wooded hamlet to the thriving community it is today.

Arts, Culture & Heritage

Through its Heritage Advisory Committee, the Township created a colourful banner highlighting selected heritage sites in the community. The banner includes imprinted QR codes for smart phone users to access more historical information online. The banner will be showcased at community events in 2013. In addition, the Township's Heritage Register was expanded to include Old Esquimalt Road, which has important heritage significance as the "first planned road in Western Canada."

The annual Esquimalt Arts Festival went outdoors in August at the historic English Inn and over 1,000 participants enjoyed perfect weather as they viewed the works of local painters, photographers, potters, carvers, and a costume designer. Artists from all over Greater Victoria exhibited their work while musicians entertained the crowds, and actors in period costume strolled the site.

Parks

The Esquimalt Active Park was officially opened on April 17th and featured tours, equipment orientations and demonstrations with Esquimalt Recreation staff members and fitness trainers. The park features all-weather outdoor fitness equipment in a convenient location next to the Esquimalt Recreation Centre.

During 2012, visitors to the Japanese Gardens at Esquimalt Gorge Park may have noticed significant additions to the gardens, including the design and construction of a pond feature, rerouted trails, and more plantings of trees and shrubs.

Sports and Recreation

The first-ever outdoor concert on August 28th at Bullen Park featured rockers Joe Walsh and Kim Mitchell bringing their classic rock sounds to an appreciative audience. In another first, two drive-in movies were screened in the parking lot adjacent to the Archie Browning Sports Centre in the fall of 2012 with some 300 movie-goers taking advantage of this unique opportunity.

The Township celebrated its historical connection with the game of golf at the Centennial Golf Tournament at Gorge Vale Golf Club on June 21st. Organized by Esquimalt Parks and Recreation and the Centennial Committee, the tournament featured a centennial skills competition using historic clubs and balls.

In September, Esquimalt was recognized by the Ministry of Health as an Age-friendly Community. The recognition goes to local governments that support older residents to remain healthy and active in their community. Esquimalt was one of nine municipalities province-wide that received the recognition. As part of the recognition, the Township received an award poster and a \$1,000 grant from the Ministry of Health to create a legacy project or a celebration.





Township Operations

Corporate Services

Finance and Information Technology

Engineering and Public Works

Development Services

Parks and Recreation

Emergency Services

Township Strategic Priorities

Corporate Services

The Corporate Services Department is comprised of staff members involved in administration, legislative matters, (Council and its Committees), sustainability, communications, archives, human resources, bylaw enforcement and business licencing.

In 2012, bylaw enforcement was moved to Corporate Services, along with business licencing. Among the department's accomplishments, all duties related to the 2011 Local General Election were completed, Council and Committee meetings were coordinated throughout the year and several new bylaws and policies for Council's consideration and adoption were prepared. The department worked on improving efficiency and customer service throughout the year, including developing a new complaints form, and logging written complaints and tickets into a software system for more efficient tracking, managing, reporting and follow up.

The Township continued its emphasis on public engagement in 2012, adding a Municipal Facebook, Twitter and YouTube page to its existing Parks and Recreation social media pages, and creating a mobile optimized website for the growing number of people who access the Township's website through mobile devices.

2012 Corporate Services by the numbers:

- 100 meetings of Council coordinated
- 60 reports to Council prepared
- 26 Freedom of Information requests processed
- 227 requests for information processed at Municipal Archives
- 1,725 volunteer hours logged at Municipal Archives
- 639 business licence renewals issued
- 92 new business licences issued
- 1,250 dog licences sold
- 29 media releases issued
- 71 public service announcements and news items issued through the corporate website
- 80 event notices posted to website
- 211,020 visits to website
- 1.4 million page views on website

The Township's website continues to provide relevant information to residents and visitors, with significant growth in visitation and page views in 2012.

Human Resources recruited a number of new staff in several departments, developed staff training plans, and prepared a list of risks and hazards at Township work-sites to improve worker safety.

2012 marked the first year that the Township fulfilled its Climate Action Charter commitment to measure and report on energy used and greenhouse gases emitted in the delivery of municipal services. The Sustainability Co-ordinator led planning and implementation of energy and waste reduction measures, such as installing low flow water fixtures in all municipal buildings and ensuring the September 8th Centennial Community Celebration at Esquimalt Gorge Park set a new green standard for environmentally friendly events in the Township.

With increased interest in Esquimalt's fascinating history during its centennial year, Municipal Archives was busy on a number of fronts, including acquiring new historical materials, assisting the media and Township staff with research and background, fielding information requests from a variety of sources, and assisting with

the organization of the historic-themed centennial golf tournament at Gorge Vale Golf Club.



Finance and Information Technology

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

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

Each year, the Financial Services Department leads the process to develop a five-year financial plan that identifies service levels and assets required to maintain Township operations. The planning process involves budget development by senior management, public input opportunities and final review and approval by Council. It involves the calculation of annual levy rates required to generate sufficient revenues to support current operations. Additionally, the adequacy of reserve fund balances is assessed to ensure fiscal sustainability and funding for future capital projects.



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



The Information Technology Department is responsible for the integration of hardware, software, wireless and telephone systems at all municipal locations. The department also provides ongoing support and training of staff. In accordance with the goal of maximizing the productivity and efficiency of Township operations, department staff identify and assess new products and implement upgrades and modifications to existing applications while maintaining their focus on information systems security.

Engineering and Public Works

Esquimalt Engineering and Public Works maintains, upgrades and develops municipal infrastructure, including roads, sidewalks, traffic installations, and sewers in a cost effective manner. The department also manages the Township's refuse collection, fleet services and building maintenance.

Esquimalt Engineering focuses on new developments, infrastructure and planning, while Public Works ensures the smooth operation and maintenance of existing infrastructure. Both departments oversee 47 kilometres of roads, nine kilometres of boulevards, 11 pump stations and 65 kilometres of storm and sanitary sewer pipes.

Capital projects undertaken by Esquimalt Engineering during 2012 included:

- Completion of the Craigflower Road Corridor Upgrade with improved storm water quality control, transit shelters, lighting and sidewalk construction
- Securing 13 BC Transit bus shelters for various locations throughout the Township to encourage the use of transit and to help reduce vehicle congestion
- Submission of funding requests to upgrade Admirals Road to support bike lanes and other infrastructure upgrades
- Installation of five banner holders along Craigflower Road. An additional five banner holders were ordered for installation in 2013
- Completing a road condition survey of all Township roads
- Construction of the Centennial Memorial Walkway in Memorial Park



During 2012, Public Works operations included maintenance and improvements to the municipal sewage system, roadways and sidewalks as well as handling refuse collection, fleet services and building maintenance.

Specific improvements in 2012 included:

- Separation of 16 combination manholes for sanitary and storm water collection systems
- Completion of new sidewalk sections on Sioux Place and Wordsley Street as part of the Capital Sidewalk Program
- Replacement of street name signs with an updated signage design
- Installation of lighting on gateway welcome signs on Esquimalt Road, Craigflower Road, Tillicum Road and Admirals Road
- Line marking of roadways
- Street sweeping
- Snow and ice control and removal as required

Development Services

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

2012 was a year of change in the Development Services Department. The department was reorganized, with the building and plumbing inspection function moving to Engineering Services and the bylaw enforcement function transferred to Corporate Services. The reorganization allows the department to concentrate on its three core functions: planning and development, economic development, and tourism.

The department also moved from a paper system of permit processing to a more efficient digital system that tracks permits using specialized computer software.

Development Services introduced two new bylaws in 2012 that will significantly change the way applications are processed. The Advisory Planning Commission bylaw creates a dual system consisting of a total of 14 members. Seven of the members will sit as the Advisory Planning Commission and seven will sit as the Design Review Committee. The Design Review Committee will primarily review development permit applications and provide comments about how proposed building design can be enhanced. It consists of two registered architects, two registered landscape architects, and three other members with expertise in heritage, accessibility, environment, or Crime Prevention through Environmental Design (CPTED). The Advisory Planning Commission will continue in its role as the primary reviewer of rezoning applications, Official Community Plan amendments, and proposed planning policy.

The second new bylaw introduced in 2012 was the Development Procedures and Fees Bylaw. The new fee schedule—fees for processing applications have not been reviewed since 1995—proposes a move towards a user pay system where the financial burden associated with processing applications is shifted from the general taxpayer to the applicant.

In the community

During the year, the department also started the process of developing an economic development strategy by hosting a series of economic round tables. These round tables will continue in the spring of 2013 and wrap up with a community forum later in 2013.



Parks and Recreation

Esquimalt is a compact community with a wealth of parks and recreation opportunities maintained, promoted and operated by the Parks and Recreation Department. The department provides programs and services for local and regional customers and hosts sporting and special events in the community.

Parks

Parks staff is responsible for the maintenance and conservation of Esquimalt's impressive parks, trails and beaches following principles of environmental sustainability. As caretakers of the parks system, staff members work to ensure that future generations will continue to enjoy the Township's many coastal and upland parks and greenways. Throughout the community's centennial year parks staff—working alongside volunteers, community organizations, First Nations, and youth groups—also provided support for a variety of Township events.

2012 Parks Highlights

The Esquimalt Active Park was officially opened on April 17th and featured tours and equipment orientation with Esquimalt Recreation staff members and fitness trainers. The park features all-weather outdoor fitness equipment in a convenient location next to the Esquimalt Recreation Centre. The Esquimalt Active Park was made possible through funding from the Government of Canada New Horizons for Seniors Program, the Province of British Columbia Seniors' Housing and Support Initiative, the British Columbia Walking Challenge and the Royal Bank of Canada.

The Japanese Gardens at Esquimalt Gorge Park were further enhanced with the addition of a pond feature, rerouted trails, and additional garden plantings.

Recreation

An energy upgrade at the Esquimalt Recreation Centre included an energy reclaim system to heat indoor air and domestic hot water, solar ambient technology, and a lighting refit for the pool, gymnasium and weight room. In addition, the pool water filtration system was switched from salt to a UV System and a new air handling system was installed in the pool area.

2012 Recreation Highlights

- Staff continued to build the presence of Esquimalt Parks and Recreation through social media sites including Facebook and Twitter.
- The 7th Annual Victoria Curling Classic was hosted at the Archie Browning Sports Centre from March 29th to April 1st. Spectators were treated to 24 top teams competing in this international curling event.
- The 5th Annual LifeMark Health Esquimalt 5K was successfully hosted by Esquimalt Recreation on March 10th.
- Rockers Joe Walsh and Kim Mitchell played the first-ever outdoor concert at Bullen Park on August 28th.
- Four outdoor movies—two in Bullen Park and two as drive-ins on the Archie Browning Sports Centre parking lot—were held in the fall of 2012.

Esquimalt Community Events

The Recreation Department provides support to several community events. In 2012, these events included:

- Lions Easter Egg Hunt at Esquimalt Gorge Park – April 8th
- Rivers and Oceans' Day – June 2nd
- Buccaneer Days – June 8th – 10th
- Esquimalt Centennial Community Celebration at Gorge Park – September 8th
- Esquimalt Lantern Festival – September 22nd
- Esquimalt Children's Story Festival – October 13th
- Lions Halloween Bonfire – October 31st
- Esquimalt Celebration of Lights – December 4th

In the community:

Esquimalt Together Against Graffiti (ETAG)

Township staff hosted a one-day ETAG symposium in Council Chambers on November 21st. The theme was "Re-connect" and the event was inspired by the need to keep regional stakeholders engaged and informed regarding graffiti in our communities. ETAG volunteers continued their important work of removing graffiti.

2012 by the numbers:

- Esquimalt Recreation Facebook likes: 934
- Esquimalt Recreation Twitter followers: 1,977
- Spectators (per draw) at the Victoria Curling Classic: 800
- Runners in 2012 Esquimalt 5K Run: 500
- Number of music fans at the Joe Walsh/Kim Mitchell concert in August: 2,300
- Average attendance at Esquimalt's four outdoor movies: 300



Emergency Services

Fire Department

The Esquimalt Fire Department provides a variety of services to the residents of the Township including medical first responder, fire investigation, fire prevention, confined space rescue, public education, hazardous materials response and fire suppression.

Overview

In 2012, Esquimalt Fire Rescue responded to 1,067 incidents. This included four structure fires, all of which were successfully extinguished. Esquimalt Fire Rescue maintains mutual aid agreements with Victoria and Saanich. In addition a new mutual aid agreement has been established with CFB Esquimalt for fire response and training. This agreement proved its worth during two apartment fires in 2012, keeping property losses to a minimum in both fires with assistance from CFB Esquimalt.

Key Accomplishments in 2012

The department completed a Fire Underwriters Survey (FUS), which assessed the department's ability to deal with fire emergencies within the Township. The completion of this process improved the Township's insurance rating and could result in reduced commercial insurance premiums.

The first phase of a seismic upgrade to the Public Safety Building was completed on budget in 2012 and several other capital upgrades were completed as well, including re-roofing, a galley renovation, replacement of the building's bay doors, painting, and the replacement of the standby diesel powered emergency generator with a unit that is capable of providing electricity to the entire building.

Staff worked with Corporate Services to develop a new Lock Box Bylaw. As part of this project, brochures, mail outs and permits necessary for building owners and managers were also produced.

The department's Prevention Division continues to provide building plan reviews for new construction projects and major renovations to ensure fire codes are being met. As well, fire fighters continue to provide in-company fire inspections of businesses and public buildings.

Emergency Program

Administration

In May, students from the Masters in Disaster and Emergency Management Program (MADEM) at Royal Roads University presented the results of their Capstone Project to the Township. As a result of this presentation, in September the Township was presented with a Certificate of Commitment to Disaster Resilience by the United Nations Office for Disaster Risk Reduction.

Emergency Social Services (ESS)

In October, ESS was tested with a level two response which was managed very well by the team. As a result of this event the team implemented an "all call" system which can activate all members with one phone call. Many team members attended a functional exercise to test the Regional Transition to Recovery Plan in conjunction with the Canadian Red Cross.

Neighbourhood Emergency Preparedness Program (NEPP)

NEPP builds community capacity for resilience after an emergency or disaster. The program offers no-cost individual preparedness presentations, as well as courses in disaster first aid and light urban search and rescue to community residents. The NEPP team also staffs public displays at local community events educating residents on preparedness, volunteerism and the Great BC Shake-Out.



Emergency Radio Communications (COMMS)

The Emergency Radio Communications group provides backup communication capabilities to the municipality in the event regular communication methods become unavailable. The group meets regularly to test systems with other teams in Greater Victoria and supports regional events such as the Swiftsure Race and Victoria Marathon.

In the Community

- The Learn Not to Burn fire safety program was delivered to children from kindergarten to grade four at all but one elementary school in the Township.
- Members of the Esquimalt Fire Department were active in the community by providing support to various charities and school programs.
- As a kick off to National Emergency Preparedness Week, the Emergency Program and the Canadian Red Cross made presentations to all grade four students at two Township elementary schools.



Police Department

The West Division of the Victoria Police Department is located in the Township of Esquimalt's Public Safety Building at 500 Park Place, just off Esquimalt Road near Municipal Hall. The division includes two school resource positions, one at-risk youth investigator, and one community resource officer. The division houses the department's K9 Unit, comprised of four general duty shepherds and two labs trained for explosives and drug detection.

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



Township Strategic Priorities

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

CODES: **BOLD CAPITALS** = Council NOW Priorities; **CAPITALS** = Council NEXT Priorities; Regular Title Case = Operational items; *Italics* = Council **ADVOCACY** items
Updated as of January 26, 2013

Financial Section

Financial Reporting Responsibility

Auditors' Report

Financial Statements

Statistical Information



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 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 Council's approval of the financial statements.

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



Chief Administrative Officer



Director of Financial Services

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



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Chartered Accountants
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Victoria BC V8W 3Y7
Canada

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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, 2012, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Township of Esquimalt as at December 31, 2012, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

May 13, 2013
Victoria, Canada

The Corporation of the Township of Esquimalt

Statement of Financial Position

December 31, 2012, with comparative information for 2011

	2012	2011
Financial assets:		
Cash and cash equivalents (note 2)	\$ 19,417,090	\$ 18,027,197
Property taxes receivable	595,649	676,239
Accounts receivable	762,463	725,893
Government grant receivable	677,339	413,424
MFA debt reserve cash (note 12(b))	185,223	188,108
	<u>21,637,764</u>	<u>20,030,861</u>
Liabilities:		
Accounts payable and accrued liabilities	6,907,805	7,167,327
Deferred revenue and deposits (note 3)	3,094,528	2,913,467
Long-term debt (note 4)	9,492,180	10,122,439
Obligations under capital leases (note 5)	49,773	87,708
Employee benefit and retirement obligations (note 6)	1,157,677	1,114,971
	<u>20,701,963</u>	<u>21,405,912</u>
Net financial assets (debt)	935,801	(1,375,051)
Non-financial assets:		
Tangible capital assets (note 7)	77,164,927	76,860,961
Inventory of supplies	108,034	104,166
Prepaid expenses	39,223	52,173
	<u>77,312,184</u>	<u>77,017,300</u>
Commitments and contingencies (note 12)		
Accumulated surplus (note 8)	<u>\$ 78,247,985</u>	<u>\$ 75,642,249</u>

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



Director of Financial Services

The Corporation of the Township of Esquimalt

Statement of Operations and Accumulated Surplus

Year ended December 31, 2012, with comparative information for 2011

	Financial plan (Unaudited - note 13)	2012	2011
Revenues:			
Taxes for municipal purposes (note 9)	\$ 14,291,051	\$ 14,294,912	\$ 14,057,224
Payments in place of taxes (note 10)	8,931,695	8,979,202	9,126,457
Sale of services	3,309,137	3,273,914	3,085,378
Other revenue from own sources	2,442,035	1,894,117	2,227,366
Conditional transfers from other governments (note 11)	1,620,100	1,617,418	1,036,409
Unconditional transfers from other governments (note 11)	830,024	830,320	806,811
Total revenue	31,424,042	30,889,883	30,339,645
Expenses:			
General government	3,473,390	3,142,752	3,108,758
Protective services	11,005,738	11,135,571	10,909,700
Transportation	2,430,315	3,490,019	3,262,687
Environmental health	1,195,783	1,511,999	1,510,825
Environmental development	882,886	672,967	460,351
Recreation, parks and culture	8,497,119	8,330,839	8,142,206
Total expenses	27,485,231	28,284,147	27,394,527
Annual surplus	3,938,811	2,605,736	2,945,118
Accumulated surplus, beginning of year	75,642,249	75,642,249	72,697,131
Accumulated surplus, end of year	\$ 79,581,060	\$ 78,247,985	\$ 75,642,249

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

The Corporation of the Township of Esquimalt

Statement of Change in Net Financial Assets

Year ended December 31, 2012, with comparative information for 2011

	Financial plan (Unaudited - note 13)	2012	2011
Annual surplus	\$ 3,938,811	\$ 2,605,736	\$ 2,945,118
Contributed tangible capital assets	-	(259,566)	(849,447)
Acquisition of tangible capital assets	(7,624,961)	(3,030,419)	(2,694,695)
Amortization of tangible capital assets	-	2,875,270	2,722,350
Proceeds on sale of tangible capital assets	-	5,470	-
Loss on disposal of tangible capital assets	-	105,279	212,387
	(7,624,961)	(303,966)	(609,405)
Acquisition of inventory supplies	-	(108,034)	(104,166)
Consumption of inventory supplies	-	104,166	92,523
Acquisition of prepaid expenses	-	(39,223)	(52,173)
Consumption of prepaid expenses	-	52,173	666,426
		9,082	602,610
Change in net financial assets (debt)	(3,686,150)	2,310,852	2,938,323
Net debt, beginning of year	(1,375,051)	(1,375,051)	(4,313,374)
Net financial assets (debt), end of year	\$ (5,061,201)	\$ 935,801	\$ (1,375,051)

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

The Corporation of the Township of Esquimalt

Statement of Cash Flows

Year ended December 31, 2012, with comparative information for 2011

	2012	2011
Cash provided by (used in):		
Operating activities		
Annual surplus	\$ 2,605,736	\$ 2,945,118
Items not involving cash:		
Contributed tangible capital assets	(259,566)	(849,447)
Amortization of tangible capital assets	2,875,270	2,722,350
Change in employee benefits and other liabilities	42,706	53,105
Actuarial adjustment on debt	(182,431)	(157,450)
Loss on disposal of tangible capital assets	105,279	212,387
Change in non-cash operating assets and liabilities:		
Property taxes receivable	80,590	(66,410)
Accounts receivable	(36,570)	133,253
Government grant receivable	(263,915)	1,250,283
Property acquired for taxes	-	181,200
MFA debt reserve fund cash	2,885	(6,201)
Accounts payable and accrued liabilities	(259,522)	45,039
Deferred revenue and deposits	181,061	997,179
Inventory of supplies	(3,868)	(11,643)
Prepaid expenses and deposits	12,950	614,253
	<u>4,900,605</u>	<u>8,063,016</u>
Capital activities:		
Acquisition of tangible capital assets	(3,020,093)	(2,694,695)
Proceeds on disposal of tangible capital assets	5,470	-
	<u>(3,014,623)</u>	<u>(2,694,695)</u>
Financing activities:		
Capital lease obligation repaid	(48,261)	(57,462)
Long-term debt principal repaid	(447,828)	(447,828)
	<u>(496,089)</u>	<u>(505,290)</u>
Increase in cash and cash equivalents	1,389,893	4,863,031
Cash and cash equivalents, beginning of year	18,027,197	13,164,166
Cash and cash equivalents, end of year	<u>\$ 19,417,090</u>	<u>\$ 18,027,197</u>
Supplemental cash flow information:		
Cash paid for interest	\$ 667,023	\$ 680,135
Cash received from interest	380,106	227,457
Assets acquired under capital lease	10,326	-

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

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 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. 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 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.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

1. Significant accounting policies (continued):

(d) Deferred revenue (continued):

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.

(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 reported net of related payments and actuarial adjustments.

(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.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

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

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

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.

(k) Comparative figures:

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

2. Cash and cash equivalents:

	2012		2011	
Cash and bank deposits	\$	3,249,112	\$	2,361,414
Municipal Finance Authority Money Market Funds		16,167,978		15,665,783
	\$	19,417,090	\$	18,027,197

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

3. Deferred revenue and deposits:

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

	2012	2011
Gas Tax Agreement Funds	\$ 914,543	\$ 1,044,741
Gaming revenue	160,258	206,727
Trust and deposit liabilities	525,305	489,630
Unearned recreation fees	328,759	367,720
Property tax instalments	545,199	498,284
Miscellaneous	620,464	306,365
	<u>\$ 3,094,528</u>	<u>\$ 2,913,467</u>

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

Schedule of Receipts and Disbursements of Gas Tax Agreement Funds:

	2012	2011
Balance, beginning of year	\$ 1,044,741	\$ 535,363
Add:		
Amounts received during the year	502,566	502,566
Interest earned	12,157	6,812
	<u>1,559,464</u>	<u>1,044,741</u>
Less: Eligible expenditures	(644,921)	-
Balance, end of year	<u>\$ 914,543</u>	<u>\$ 1,044,741</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

4. Long-term debt:

Bylaw	Purpose	Matures	Rate	Original Amount	Sinking Fund*	Net Balance	
						2012	2011
<u>General Capital</u>							
2492	Recreation Centre	2023-03-10	4.775%	\$ 2,800,000	\$ 945,105	\$ 1,854,895	\$ 1,981,557
2492	Recreation Centre	2022-03-12	5.370%	4,000,000	1,527,388	2,472,612	2,661,010
				<u>6,800,000</u>	<u>2,472,493</u>	<u>4,327,507</u>	<u>4,642,567</u>
<u>Sewer Capital</u>							
2281	Sanitary Sewers	2012-05-11	5.850%	425,000	425,000	-	36,044
2565	Sanitary Sewers	2022-03-12	4.820%	2,353,000	429,393	1,923,607	2,016,353
2565	Sanitary Sewers	2022-03-12	4.430%	1,129,000	253,493	875,507	922,008
2565	Sanitary Sewers	2025-02-12	4.170%	2,012,000	538,280	1,473,720	1,559,964
2565	Sanitary Sewers	2024-02-12	4.975%	1,256,000	364,161	891,839	945,503
				<u>7,175,000</u>	<u>2,010,327</u>	<u>5,164,673</u>	<u>5,479,872</u>
				<u>\$ 13,975,000</u>	<u>\$ 4,482,820</u>	<u>\$ 9,492,180</u>	<u>\$ 10,122,439</u>

* Sinking fund column includes principal payments and actuarial adjustments.

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 \$81,493 (2011-\$678,801, including accrued interest of \$94,670).

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

4. Long-term debt (continued):

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

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

2013	\$	428,132
2014		428,132
2015		428,132
2016		428,132
2017		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.

2013	\$	37,557
2014		6,916
2015		2,827
2016		2,172
2017		1,278
Total minimum payments		50,750
Less: Amounts representing interest (at prime plus 1%)		(977)
Present value of net minimum capital lease payments	\$	49,773

Total interest on leases for the year was \$1,366 (2011 - \$2,423).

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

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:

	2012	2011
Accrued benefit obligation, beginning of year	\$ 1,114,971	\$ 1,061,866
Service cost	84,200	72,900
Interest cost	36,500	39,300
Benefits payments	(63,800)	(50,400)
Past agreement refund accrual	(14,194)	(8,695)
Accrued benefit liability, end of year	\$ 1,157,677	\$ 1,114,971

The actuarially accrued benefit obligation set out in the actuarial valuation is \$1,037,800 (2011 - \$948,800), resulting in a variance of \$119,877 between the obligation and the accrued benefit liability of \$1,157,677 (2011 - \$1,114,971). The variance is composed of the following two amounts: an actuarial net gain of \$103,900 (2011 - \$149,700) and the special agreement refund accrual of \$15,977 (2011 - \$16,471). 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 \$107,000 (2011 - \$93,800).

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2010. At December 31, 2012, 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:

	2012	2011
Discount rates	3.50%	3.60%
Expected inflation rate	2.50%	2.50%
Expected wage and salary increase, based on age and gender	2.58% - 4.63%	2.58% - 4.63%

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

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 176,000 active members and approximately 67,000 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 later in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$852,436 (2011 - \$824,476) for employer contributions while employees contributed \$687,118 (2011 - \$652,565) to the plan in fiscal 2012.

GVLRA - CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employee locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2011. At December 31, 2012, the total plan provision for approved and unreported claims was \$16,019,500 with a net deficit of \$4,097,874. The actuary does not attribute portions of the unfunded liability to individual employers. The Township paid \$41,955 (2011 - \$29,680) for employee contributions in fiscal 2012.

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

7. Tangible capital assets:

Cost	Balance December 31, 2011	Additions	Disposals/ transfers	Balance December 31, 2012
Land and land improvements	\$ 39,341,005	\$ 579,193	\$ -	\$ 39,920,198
Building and building improvements	19,893,301	474,585	(80,586)	20,287,300
Vehicles, machinery and equipment	7,960,583	487,399	(79,347)	8,368,635
Water and wastewater infrastructure	21,322,401	513,595	-	21,835,996
Roads infrastructure	33,623,923	737,535	(204,850)	34,156,608
Work in progress	438,459	634,904	(137,225)	936,138
Total	\$ 122,579,672	\$ 3,427,211	\$ (502,008)	\$ 125,504,875

Accumulated amortization	Balance December 31, 2011	Disposals	Amortization expense	Balance December 31, 2012
Land and land improvements	\$ 9,367,199	\$ -	\$ 197,581	\$ 9,564,780
Building and building improvements	7,325,182	(80,586)	682,775	7,927,371
Vehicles, machinery and equipment	4,271,477	(48,261)	490,299	4,713,515
Water and wastewater infrastructure	10,030,109	-	362,132	10,392,241
Roads infrastructure	14,724,744	(125,186)	1,142,483	15,742,041
Total	\$ 45,718,711	\$ (254,033)	\$ 2,875,270	\$ 48,339,948

Net book value	Balance December 31, 2011	Balance December 31, 2012
Land and land improvements	\$ 29,973,806	\$ 30,355,418
Building and building improvements	12,568,119	12,359,929
Vehicles, machinery and equipment	3,689,106	3,655,120
Water and wastewater infrastructure	11,292,292	11,443,755
Roads infrastructure	18,899,179	18,414,567
Work in progress	438,459	936,138
Total	\$ 76,860,961	\$ 77,164,927

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

7. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$936,138 (2011 - \$438,459) 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 \$259,566 during the year (2011 - \$849,447).

(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 (2011 - \$nil).

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

8. Accumulated surplus:

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

	2012	2011
Surplus:		
Equity in tangible capital assets	\$ 67,622,974	\$ 66,650,814
Unappropriated operating funds	3,599,026	2,667,772
	<u>71,222,000</u>	<u>69,318,586</u>
Appropriated operating funds:		
Celebrations Rainy Day	8,000	8,000
Future expenditures	212,349	226,874
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
	<u>720,349</u>	<u>734,874</u>
Reserve funds set aside for specific purposes by Council:		
Capital Projects	3,130,446	2,683,943
Local Improvement	133,906	127,860
Machinery and Equipment	2,627,538	2,460,723
Municipal Archives Trust	5,562	5,444
Parkland Acquisition	81,154	38,496
Tax Sale Lands	146,589	145,044
Sustainability	141,721	89,125
Eva Chafe	38,720	38,154
	<u>6,305,636</u>	<u>5,588,789</u>
	<u>\$ 78,247,985</u>	<u>\$ 75,642,249</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

9. Taxes:

	2012	2011
Taxes for municipal purposes:		
Property tax	\$ 14,045,425	\$ 13,811,311
Local Improvement	4,686	4,685
1% Utility tax	244,801	241,228
	<u>\$ 14,294,912</u>	<u>\$ 14,057,224</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.

	2012	2011
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,590,526	\$ 5,629,749
Capital Regional District - requisition	1,528,918	1,541,363
Capital Regional District - 9-1-1 call answer levy	55,917	54,474
Capital Regional Hospital District - requisition	848,605	841,022
British Columbia Assessment Authority	189,767	195,789
British Columbia Transit - Victoria Regional Transit Commission	753,754	746,555
Municipal Finance Authority	588	591
	<u>\$ 8,968,075</u>	<u>\$ 9,009,543</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

10. Payments in place of taxes:

	2012	2011
Payments in place of taxes received for municipal purposes:		
Federal government	\$ 8,861,697	\$ 9,016,826
British Columbia Hydro & Power Authority	98,461	93,099
Liquor Distribution Branch	16,524	14,081
Provincial Rental Housing Corporation	2,520	2,451
	<u>\$ 8,979,202</u>	<u>\$ 9,126,457</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	\$ 2,806,148	\$ 2,935,092
Capital Regional District	922,503	1,011,872
Capital Regional Hospital District	414,802	418,096
British Columbia Assessment Authority	131,335	137,007
British Columbia Transit - Victoria Regional Transit Commission	514,263	532,175
Municipal Finance Authority	292	298
	<u>\$ 4,789,343</u>	<u>\$ 5,034,540</u>

11. Transfers from other governments:

	2012	2011
Conditional transfers from other governments:		
Federal	\$ 32,909	\$ 134,602
Provincial	1,584,509	890,458
Other agencies	-	11,349
	<u>1,617,418</u>	<u>1,036,409</u>
Unconditional transfers from other governments:		
Small communities protection	295,593	290,284
Traffic fine revenue sharing	534,727	516,527
	<u>830,320</u>	<u>806,811</u>
Total transfers from other governments	<u>\$ 2,447,738</u>	<u>\$ 1,843,220</u>

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

12. Commitments and contingencies:

(a) Contractual commitments:

At December 31, 2012, the following major contracts were in progress:

	Total amount of contract	Paid on contract to December 31, 2012
Coral Engineering Ltd.	\$ 1,174,794	\$ 602,669

(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 \$185,223 (2011 - \$188,108) 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, 2012 there were contingent demand notes of \$408,943 (2011 - \$426,971), which are not recorded in the financial statements of the Township. If the debt is repaid without default, the deposits are refunded to the Township and demand notes are cancelled.

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

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

12. Commitments and contingencies (continued):

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

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

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

13. Financial plan data:

The unaudited data presented in these financial statements is based upon the 2012 operating and capital financial plan approved by Council on May 14, 2012. Amortization was not contemplated on the development of the financial plan and, as such, has not been included. The chart below reconciles the approved financial plan to the financial plan figures reported in these financial statements.

	Financial plan amount
Revenues:	
Operating budget	\$ 37,011,612
Less:	
Transfer from other funds	(5,330,315)
Proceeds on debt issue	(257,255)
Total revenue	31,424,042
Expenses:	
Operating budget	37,011,612
Less:	
Capital expenditures	(7,624,961)
Transfer to other funds	(1,453,580)
Debt principal payments	(447,840)
Total expenses	27,485,231
Annual surplus	\$ 3,938,811

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

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:

(a) General Government:

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

(b) Protective Services:

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

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

(c) Transportation:

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

14. Segmented information (continued):

(d) Environmental Health:

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

(e) Environmental Development:

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

(f) Recreation, Parks and Culture:

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

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

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

14. Segmented information (continued):

2012	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
Revenues:							
Taxation	\$ 23,274,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,274,114
Goods and services	1,874,125	67,806	385,654	205,764	39,051	2,595,631	5,168,031
Government transfers	555,926	295,593	987,934	-	-	608,285	2,447,738
Total revenue	25,704,165	363,399	1,373,588	205,764	39,051	3,203,916	30,889,883
Expenses:							
Salary and wages	1,815,054	3,427,915	1,503,993	295,765	391,331	4,786,049	12,220,107
Materials, supplies and services	1,023,513	7,566,132	520,314	534,863	281,636	2,595,289	12,521,747
Interest and other	1,399	-	-	327,158	-	338,466	667,023
Amortization	302,786	141,524	1,465,712	354,213	-	611,035	2,875,270
Total expenses	3,142,752	11,135,571	3,490,019	1,511,999	672,967	8,330,839	28,284,147
Annual surplus (deficit)	\$ 22,561,413	\$ (10,772,172)	\$ (2,116,431)	\$ (1,306,235)	\$ (633,916)	\$ (5,126,923)	\$ 2,605,736

The Corporation of the Township of Esquimalt

Notes to Financial Statements

Year ended December 31, 2012

2011	General government	Protective services	Transportation	Environmental health	Environmental development	Recreation, parks and culture	Total
Revenues:							
Taxation	\$ 23,183,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,183,681
Goods and services	2,217,006	69,745	331,161	171,767	23,397	2,499,668	5,312,744
Government transfers	516,527	297,007	1,015,351	-	-	14,335	1,843,220
Total revenue	25,917,214	366,752	1,346,512	171,767	23,397	2,514,003	30,339,645
Expenses:							
Salary and wages	1,678,352	3,418,824	1,436,771	292,687	364,623	4,726,093	11,917,350
Materials, supplies and services	1,147,292	7,293,693	458,246	528,033	95,728	2,481,200	12,004,192
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	3,262,687	1,510,825	460,351	8,142,206	27,394,527
Annual surplus (deficit)	\$ 22,808,456	\$ (10,542,948)	\$ (1,916,175)	\$ (1,339,058)	\$ (436,954)	\$ (5,628,203)	\$ 2,945,118

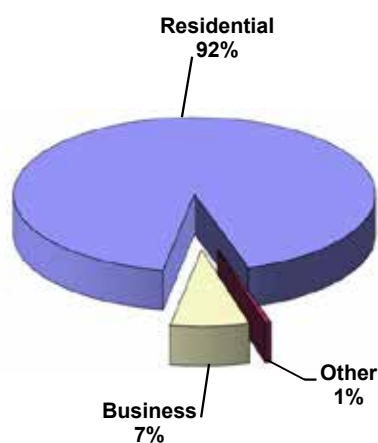
Statistical Information

As per BC Assessment Roll Tax Base Report

Taxable Assessments of Land and Improvements 2008 - 2012

Property Class	2012	2011	2010	2009	2008
Residential	\$2,342,337,304	\$2,382,432,704	\$2,238,867,104	\$2,105,421,703	\$2,064,352,103
Utilities	1,000,800	975,800	998,000	856,300	854,200
Major Industry	17,644,500	15,225,900	8,874,800	7,701,300	3,734,000
Light Industry	14,354,700	14,560,500	16,123,100	9,741,700	11,609,700
Business	178,165,002	170,037,002	167,111,803	149,792,253	148,822,252
Recreation Non-Profit	11,100,500	11,173,800	10,983,900	10,227,800	10,227,800
	\$2,564,602,806	\$2,594,405,706	\$2,442,958,707	\$2,283,741,056	\$2,239,600,055

2012 Assessment by Type



Source: BC Assessment

Statistical Information

Property Tax Rates 2008 - 2012

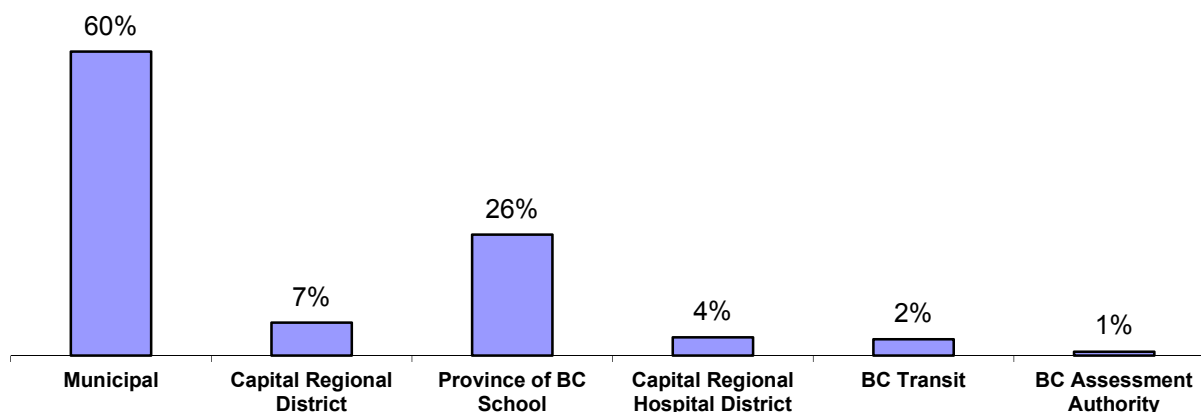
	2012	2011	2010	2009	2008
Municipal (\$ per 1000 assessment)					
Residential	4.632580	4.531350	4.610070	4.700870	4.43548
Utilities	21.788650	22.346970	21.029720	28.394990	26.86425
Major Industry	30.862070	31.260560	29.433200	30.441080	28.79441
Light Industry	17.148110	17.915020	15.571150	17.101220	16.17904
Business & Other	13.052350	12.942040	12.645310	14.040790	13.15493
Recreation/Non-profit	5.079090	5.049380	4.943870	5.092200	4.81760
Total (\$ per 1000 assessment)					
Residential	7.42522	7.31825	7.47365	7.49446	7.14503
Utilities	40.94194	41.52335	40.22631	48.19267	46.23406
Major Industry	43.16752	43.89641	41.95111	42.94311	43.48503
Light Industry	27.64361	28.74974	26.21412	27.82567	26.54179
Business & Other	22.82946	22.95371	22.67617	24.20169	22.95765
Recreation/Non-profit	9.59901	9.57460	9.54082	9.82186	9.41003
Municipal Tax Billings by Property Class					
Residential	\$10,851,065	\$10,795,636	\$10,321,333	\$9,897,313	\$9,156,393
Utilities	21,806	21,806	20,988	24,315	22,947
Major Industry	544,546	475,970	261,214	234,436	107,537
Light Industry	246,156	260,852	251,055	166,595	187,834
Business & Other	2,325,472	2,200,626	2,113,181	2,103,202	1,957,746
Recreation/Non-profit	56,380	56,421	54,303	52,082	49,273
	\$14,045,425	\$13,811,311	\$13,022,074	\$12,477,943	\$11,481,730

Statistical Information

Property Tax Levied and Collected 2008- 2012

	2012	2011	2010	2009	2008
Municipal	\$ 14,045,425	\$ 13,811,311	\$ 13,022,074	\$ 12,477,943	\$ 11,481,730
Capital Regional District	1,528,918	1,541,363	1,463,012	1,375,546	1,395,100
Province of BC School	5,590,526	5,629,749	5,606,271	5,259,034	5,117,105
Capital Regional Hospital District	848,605	841,022	820,388	600,507	506,998
BC Transit	753,754	746,555	570,602	488,969	418,590
BC Assessment Authority	189,767	195,789	194,711	174,330	164,787
Municipal Finance Authority	588	591	557	515	442
	\$ 22,957,583	\$ 22,766,380	\$ 21,677,615	\$ 20,376,844	\$ 19,084,752
Total Current Taxes Levied	22,957,583	22,766,380	21,677,615	20,376,844	19,084,752
Current Taxes Collected	22,490,432	22,179,636	21,155,629	20,038,891	18,759,146
Percentage	97.97%	97.42%	97.59%	98.34%	98.29%

2012 Taxes by Jurisdiction



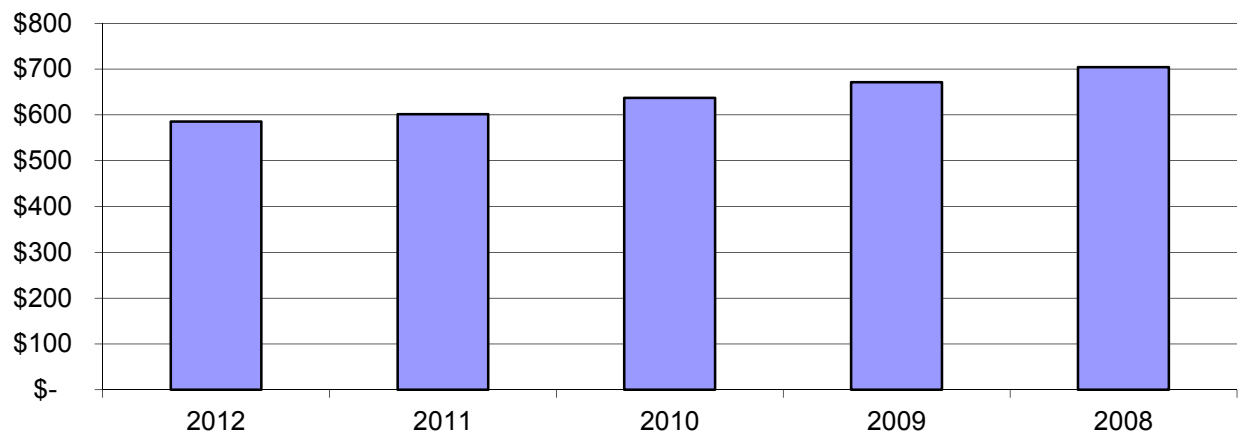
Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

Debenture Debt 2008 - 2012

	2012	2011	2010	2009	2008
Gross Outstanding Debt	\$13,975,000	\$13,975,000	\$13,975,000	\$13,975,000	\$13,975,000
Less: Sinking Fund Payments	4,482,820	3,852,561	3,247,283	2,668,773	2,115,904
Net Debt	\$ 9,492,180	\$10,122,439	\$10,727,717	\$11,306,227	\$11,859,096
General	\$ 4,327,507	\$ 4,642,567	\$ 4,942,545	\$ 5,228,277	\$ 5,500,403
Sewer	5,164,673	5,479,872	5,785,172	6,077,950	6,358,693
	\$ 9,492,180	\$10,122,439	\$10,727,717	\$11,306,227	\$11,859,096
Debt Servicing Costs					
Property Tax Supported	\$ 851,629	\$ 851,629	\$ 909,522	\$ 910,298	\$ 933,004
Casino	275,000	275,000	275,000	275,000	275,000
Total Debt Servicing Costs	\$ 1,126,629	\$ 1,126,629	\$ 1,184,522	\$ 1,185,298	\$ 1,208,004
Population	16,209	16,840	16,840	16,840	16,840
Net Debt per Capita	\$ 586	\$ 601	\$ 637	\$ 671	\$ 704
Debt Servicing per Capita	\$ 70	\$ 67	\$ 70	\$ 70	\$ 72
Debt Service as % of Expenditures	3.98%	4.11%	4.40%	4.37%	4.87%
# of Households	8,038	8,038	8,317	8,311	8,319
Gross Debt Servicing Limit	\$ 7,210,376	\$ 6,438,768	\$ 6,581,601	\$ 6,906,607	\$ 6,497,388
Debt Capacity Available	\$ 6,083,747	\$ 5,312,139	\$ 5,397,079	\$ 5,723,214	\$ 5,164,514

Per Capita Net Debt



Source: Municipal Finance Authority

Source: Population: Statistics Canada

Statistical Information

Revenue and Expenses 2008 - 2012

Revenue	2012	2011	2010	2009	2008
Property taxes	\$ 14,294,912	\$ 14,057,224	\$ 13,245,998	\$ 12,699,908	\$ 11,694,124
Payments in place of taxes	8,979,202	9,126,457	8,303,212	8,750,626	8,212,472
Sale of services	3,273,914	3,085,378	3,099,673	3,176,131	3,305,289
Other revenue from own sources	1,894,117	2,227,366	1,596,316	2,552,903	2,226,492
Unconditional transfers from other governments	830,320	806,811	211,887	982,441	557,042
Conditional transfers from other governments	1,617,418	1,036,409	4,852,141	4,005,706	190,374
	\$ 30,889,883	\$ 30,339,645	\$ 31,309,227	\$ 32,167,715	\$ 26,185,793
Expenses by Function					
General government	\$ 3,142,752	\$ 3,108,758	\$ 3,197,530	\$ 3,199,126	\$ 2,884,072
Protective services	11,135,571	10,909,700	10,389,997	10,135,644	8,934,262
Transportation	3,490,019	3,262,687	3,185,809	3,408,682	3,654,685
Environmental health	1,511,999	1,510,825	1,458,837	1,787,649	1,388,424
Environmental development	672,967	460,351	444,685	320,545	388,080
Recreation, parks and culture	8,330,839	8,142,206	8,240,505	8,272,185	7,560,557
	\$ 28,284,147	\$ 27,394,527	\$ 26,917,363	\$ 27,123,831	\$ 24,810,080
Expenses by object					
Personal costs	\$ 12,220,107	\$ 11,917,350	\$ 11,807,455	\$ 11,670,309	\$ 10,905,613
Materials, supplies and services	12,521,747	12,004,192	12,028,806	12,546,263	10,956,470
Interest and other	667,023	750,635	680,135	680,875	696,461
Amortization	2,875,270	2,722,350	2,400,967	2,226,384	2,251,536
	\$ 28,284,147	\$ 27,394,527	\$ 26,917,363	\$ 27,123,831	\$ 24,810,080

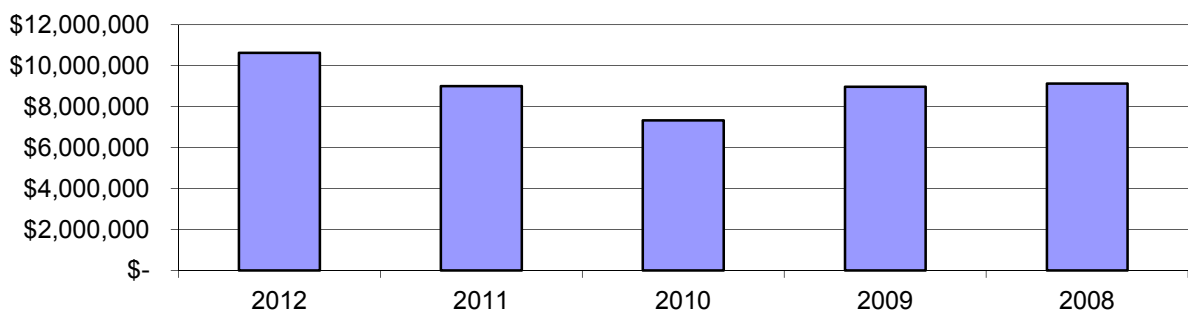
Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

Reserve Funds and Appropriated and Unappropriated Operating Funds 2008 - 2012

Description	2012	2011	2010	2009	2008
Reserve Funds					
Capital Projects	\$ 3,130,446	\$ 2,683,943	\$ 1,347,922	\$ 1,650,403	\$ 1,908,225
Local Improvement	133,906	127,860	121,915	121,201	175,228
Machinery and Equipment	2,627,538	2,460,723	1,596,758	2,396,180	2,563,235
Municipal Archives Trust	5,562	5,444	5,306	5,278	5,225
Parkland Acquisition	81,154	38,496	246	423,384	418,794
Tax Sale Lands	146,589	145,044	143,561	142,719	141,171
Sustainability	141,721	89,125	64,082	19,847	-
Eva Chafe	38,720	38,154	37,020	-	-
	6,305,636	5,588,789	3,316,810	4,759,012	5,211,878
Appropriated Operating Funds					
Celebrations Rainy Day	8,000	8,000	8,000	8,000	8,000
Future expenditures	212,349	226,874	416,133	809,666	969,504
Property acquired for taxes	-	-	181,200	181,200	181,200
Uncollected taxes	100,000	100,000	100,000	100,000	100,000
Working capital	400,000	400,000	400,000	400,000	400,000
	720,349	734,874	1,105,333	1,498,866	1,658,704
Unappropriated Operating Funds	3,599,026	2,667,772	2,896,319	2,705,750	2,249,946
Total	\$ 10,625,011	\$ 8,991,435	\$ 7,318,462	\$ 8,963,628	\$ 9,120,528

Total Reserve Funds, Appropriated and Unappropriated Operating Funds



Source: Corporation of the Township of Esquimalt Finance Department

Statistical Information

2012 Grants

Organization	Exemption From Property Taxes	Grants	Total
2483 PPCLI Army Cadet Corps - Parents Sponsoring Committee	\$ 3,742	\$ 750	\$ 4,492
B.C. Sustainable Energy Association		1,000	1,000
Big Brothers Big Sisters of Victoria		2,000	2,000
Bike to Work Society		1,500	1,500
Boys and Girls Club Services of Greater Victoria	5,419	6,500	11,919
Capital Mental Health Association	9,007		9,007
City of Victoria - Portion of Barnard Park off Sea Terrace	2,794		2,794
City of Victoria - Canada Day Celebrations		1,500	1,500
Community Social Planning Council of Greater Victoria		1,500	1,500
Crisis Intervention and Public Information Society of Greater Victoria (NEED)		1,500	1,500
Esquimalt Anglers' Association	260		260
Esquimalt Community Garden Society		2,000	2,000
Esquimalt High School		1,050	1,050
Esquimalt High School - Athletic Team Funding		2,750	2,750
Esquimalt High School - Terry Fox Scholarship		500	500
Esquimalt High School - Township of Esquimalt Scholarship		500	500
Esquimalt High School Alumni Association		750	750
Esquimalt Lantern Festival Society		4,500	4,500
Esquimalt Lions Club		5,000	5,000
Esquimalt Neighbourhood House Society	9,944	5,000	14,944
Esquimalt Speed Skating Society		2,000	2,000
Friends of Living & Learning Through Loss		1,000	1,000
Gorge Water Way Action Society		500	500
Greater Victoria Film Commission		1,000	1,000
Greater Victoria Harbour Authority		2,500	2,500
Greater Victoria Volunteer Society (Victoria Volunteer Bureau)		1,500	1,500
Habitat Acquisition Trust	10,807		10,807
Island Corridor Foundation	4,737		4,737
L'Ecole Victor Brodeur		750	750
L'Ecole Victor Brodeur - Athletic Team Funding		1,750	1,750
Macaulay Elementary School Parents' Advisory Council - Crossing Guard		12,130	12,130
Maritime Museum of British Columbia Society		1,000	1,000
Michael Dunahee Keep the Hope Alive Drive		2,100	2,100
Prostitutes Empowerment Education & Resource Society	10,424	1,000	11,424
Racquet Club of Victoria Figure Skaing		1,500	1,500
Rock Solid Foundation	3,652		3,652
Rockheights Middle School		1,500	1,500
Royal Canadian Legion Esquimalt Dockyard Branch 172	19,269		19,269
Shoreline Community Middle School		1,500	1,500
Society of St. Vincent de Paul Vancouver Island	16,871		16,871
South Island Dispute Resolution		1,000	1,000
St. John Ambulance Association		1,000	1,000
The Victoria First Church of the Nazarene	19,611		19,611
The Ismail Jamatkhana and Centre (0768944 BC Ltd)	14,428		14,428
Victoria Operatic Society	13,538		13,538
Victoria Rainbow Kitchen Society		10,000	10,000
Victoria Restorative Justice		5,000	5,000
World Fisheries Trust		1,000	1,000
	<u>\$ 144,503</u>	<u>\$ 88,030</u>	<u>\$ 232,533</u>

Township of
ESQUIMALT

A decorative blue wave graphic that starts under the 'E' and 'S' of 'ESQUIMALT', dips down, and then rises to end under the 'M' and 'A'.