



2009
STATEMENT OF
FINANCIAL
INFORMATION

(Pursuant to the Financial Information Act)

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

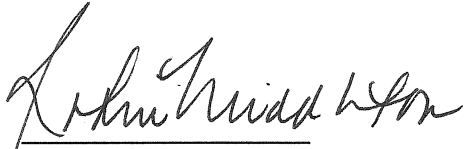
Table of Contents

<i>Statement of Financial Information Approval</i>	1
Schedule of Debts.....	2
<i>Unaudited Schedules</i>	
Schedule of Guarantee and Indemnity Agreements	3
Schedule of Grants and Contributions.....	4
Schedule of Employee Remuneration and Expenses.....	5
Schedule of Council Remuneration and Expenses.....	6
Schedule of Payments to Suppliers for the Provision of Goods and Services.....	7 - 9
 <i>Financial Reporting Responsibility</i>	 10
 <i>Audited Financial Statements</i>	 11 – 35

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Statement of Financial Information Approval

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


Robin Middleton, CA
Chief Financial Officer

June 30, 2010

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Schedule of Debts

The Schedule of Debts has not been prepared as the requisite information appears in Note 5 to the attached financial statements.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Schedule of Guarantee and Indemnity Agreements (unaudited)

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

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Schedule of Grants and Contributions (unaudited)

Organization	Amount
2483 PPCLI ARMY CADET CORPS - PARENTS SPONSORING COMMITTEE	\$500
BC SPCA WILD ARC - REHABILITATION CENTRE	\$500
BIKE TO WORK SOCIETY	\$1,500
BIG BROTHERS BIG SISTERS OF VICTORIA	\$7,500
BOYS' & GIRLS' CLUB SERVICES - ESQUIMALT YOUTH LEADERSHIP PROGRAM	\$6,500
CANADIAN MOTORCYCLE CRUISERS	\$1,721
CITY OF VICTORIA - CANADA DAY FIREWORKS	\$2,000
CITY OF VICTORIA - SPIRIT OF BC	\$10,000
COMMUNITY SOCIAL PLANNING COUNCIL OF GREATER VICTORIA	\$3,275
CREATIVE PEACE MURAL SOCIETY	\$500
CRISIS INTERVENTION AND PUBLIC INFORMATION SOCIETY OF GREATER VICTORIA (NEED)	\$4,217
CRYSTAL METH SOCIETY	\$1,900
ESQUIMALT HIGH SCHOOL	\$800
ESQUIMALT HIGH SCHOOL - TERRY FOX SCHOLARSHIP	\$500
ESQUIMALT HIGH SCHOOL - TOWNSHIP OF ESQUIMALT SCHOLARSHIP	\$500
ESQUIMALT LANTERN FESTIVAL SOCIETY	\$3,900
ESQUIMALT NEIGHBOURHOOD HOUSE SOCIETY	\$12,000
FRIENDS OF LIVING & LEARNING THROUGH LOSS	\$2,000
GREATER VICTORIA DEVELOPMENT AGENCY	\$1,000
GREATER VICTORIA VOLUNTEER SOCIETY (VICTORIA VOLUNTEER BUREAU)	\$2,192
L'ECOLE VICTOR BRODEUR	\$500
MACAULAY ELEMENTARY SCHOOL PARENTS' ADVISORY COUNCIL - CROSSING GUARD	\$10,500
MARITIME MUSEUM OF BRITISH COLUMBIA SOCIETY	\$1,000
MICHAEL DUNAHEE KEEP THE HOPE ALIVE DRIVE	\$1,707
NAVAL MEMORIAL WINDOW COMMITTEE	\$1,000
PITCH-IN BRITISH COLUMBIA	\$550
SHORELINE COMMUNITY MIDDLE SCHOOL	\$2,000
ST. JOHN AMBULANCE ASSOCIATION	\$877
TOURISM VICTORIA	\$1,957
VICTORIA/ESQUIMALT JR. B. LACROSSE	\$900
VICTORIA RESTORATIVE JUSTICE	\$8,500
	<u>\$92,496</u>

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Schedule of Employee Remuneration and Expenses (unaudited)

Name		Remuneration	Expenses
ANDERSON	GORDON	\$101,822.22	\$1,921.69
BOOTH	HAROLD	\$106,133.44	-
BUIE	CHRIS	\$79,379.70	-
BYRON	JEFFREY	\$93,498.00	\$239.03
CAMPBELL	THOMAS	\$86,395.15	-
COTE	GILBERT	\$78,448.98	-
DENEGAR	JEREMY	\$89,528.29	\$2,065.18
FRASER	IAN	\$83,702.35	-
GREENSILL	VINCE	\$89,607.06	-
HALLIDAY	ALEXANDER	\$79,189.12	\$288.51
HAVERUK	ROBERT	\$82,515.84	\$2,828.15
HENDERSON	DANIEL	\$76,131.47	\$519.16
HURST	LAURIE	\$137,801.35	\$3,546.75
HUTCHINSON	JASON	\$78,237.92	-
JAMES	JOHN	\$101,226.93	-
KATSCHOR	ANDREW	\$93,446.10	\$2,004.41
KUSHNER	TREVOR	\$101,411.94	1413.81
MACINTYRE	CAMERON	\$105,129.93	-
MCGREGOR	GEORGE	\$107,434.22	-
MULCAHY	PATRICK	\$100,978.78	\$4,335.11
NELSON	PAUL	\$115,137.04	\$2,189.34
ROBINSON	SPENCER	\$76,875.69	-
ROSALES	ANGELO	\$75,886.39	-
SALADANA	TROY	\$90,896.52	-
SHIELDS	KEVIN	\$75,174.62	-
SMALL	GIBBON	\$88,481.06	\$407.09
SMITH	BRADLEY	\$80,859.87	-
SNYDER	BARBARA	\$115,925.25	\$3,681.80
TURNER	MARY	\$93,655.20	\$2,187.36
VANBUSKIRK	PETER	\$76,940.61	-
WIELER	WILHELM	\$76,623.35	-
WOODS	THOMAS	\$77,886.48	-
AGGREGATE OVER \$75,000 (32)		<u>\$2,916,360.87</u>	<u>\$27,627.39</u>
AGGREGATE UNDER \$75000 (325)		<u>\$6,671,206.74</u>	<u>\$34,500.95</u>
TOTAL (357)		<u><u>\$9,587,567.61</u></u>	<u><u>\$62,128.34</u></u>

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

Two severance agreements were made by the Township in respect of its employees excluded from coverage under the collective agreement. The severance payments represented six months' compensation in the first instance, and twelve months compensation in the second instance.

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Schedule of Council Remuneration and Expenses (unaudited)

	Remuneration	Expenses
BRAME, MEAGAN	\$11,043	\$2,782.06
DESJARDINS, BARBARA	\$24,540	\$7,052.59
GARRISON, RANDALL	\$11,043	\$3,330.41
GAUL, ALISON	\$11,043	\$1,811.49
HUNDLEBY, LYNDA	\$11,043	-
LINGE, DONALD E.	\$11,043	-
MCILDOON, BRUCE	\$11,043	-
	<u>\$90,798</u>	<u>\$12,194.49</u>

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

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

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

Supplier Name	Amount
1ST TEAM CONSULTING LTD	\$415,088.60
ACCENT REFRIGERATION SYSTEMS LTD	\$38,562.79
ACKLANDS-GRAINGER INC	\$53,136.30
ACME SUPPLIES LTD	\$65,811.52
AGGRESSIVE EXCAVATING LTD.	\$2,299,154.91
AL SUTHERLAND ICE CONSULTING	\$62,914.38
ALLSTREAM (628936)	\$58,596.71
AON REED STENHOUSE INC	\$95,873.00
BANK OF MONTREAL	\$171,413.42
BC ASSESSMENT	\$296,843.06
BC HYDRO	\$331,992.53
BC TRANSIT	\$803,751.14
BLACK PRESS GROUP LTD	\$27,841.52
BRUNNELL CONSTRUCTION LTD	\$105,973.96
CANADA SAVINGS BONDS	\$65,737.00
CANADIAN UNION OF PUBLIC EMPLOYEES	\$128,317.11
CANNON DESIGN	\$33,019.43
CANTEEN COMPOSTING	\$111,172.21
CAPITAL REGIONAL HOSPITAL DISTRICT	\$866,412.04
CHEVRON CANADA LIMITED	\$98,115.92
CLIVE FREUNDLICH, CGA	\$70,621.88
CORPORATION OF THE DISTRICT OF SAANICH	\$77,474.04
COX, TAYLOR IN TRUST	\$40,222.21
CRD ACCOUNTS RECEIVABLE	\$3,635,622.26
CRD BYLAW ENFORCE & ANIMAL CONTROL	\$58,045.20
DEL EQUIPMENT	\$47,738.64
DELTA VICTORIA	\$36,296.30
EMERY ELECTRIC LTD	\$34,243.43
ESQUIMALT FIRE FIGHTERS ASSOCIATION	\$55,847.97
FANTASTIC CLEANING	\$53,796.39
FASTENAL CANADA	\$33,661.87
FOCUS CORPORATION	\$131,430.02
GARY MCCARTIE PRODUCTIONS INC.	\$73,098.54
GREATER VICTORIA LABOUR RELATIONS ASSN.	\$25,697.94
GREATER VICTORIA PUBLIC LIBRARY	\$561,106.00
GREENFIELD DESIGN LANDSCAPING	\$36,472.60
GVLRA - LTD TRUST	\$66,700.55
HOTSON BAKKER BONIFACE HADEN	\$42,283.72
INSIGHT SOFTWARE CANADA INC.	\$32,626.91
INSITUFORM TECHNOLOGIES LIMITED	\$76,663.71
INSURANCE CORPORATION OF BC	\$33,599.00
ISLAND ASPHALT COMPANY	\$106,118.08

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

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

Supplier Name	Amount
ISLAND TEMPERATURE CONTROLS LTD	\$94,829.50
KPMG LLP	\$72,980.25
LANYARD FINANCIAL CORP.	\$112,088.20
LEHIGH MATERIALS, A DIVISION OF LEHIGH HANSON MATERIALS LTD.	\$51,572.74
MANULIFE FINANCIAL GROUP BENEFITS	\$48,898.54
MCRAE'S ENVIRONMENTAL SERVICES LTD	\$120,515.82
MEDICAL SERVICES PLAN OF BC	\$111,558.00
MFA LEASING CORP.	\$64,929.24
MONK OFFICE SUPPLY LTD	\$33,151.60
MUNICIPAL INSURANCE ASSN. OF B.C.	\$373,923.42
NORTH DOUGLAS DISTRIBUTORS LTD	\$59,267.41
NORTHRIDGE EQUIPMENT LTD.	\$1,085,737.58
OCEANFRONT PROPERTIES	\$43,918.17
PACIFIC BLUE CROSS	\$277,131.61
PENSION CORP-MUNICIPAL PENSION PLAN	\$1,370,316.44
PORTOFINO BAKERY LTD.	\$28,150.56
RAYLEC POWER LTD	\$55,963.24
RECEIVER GENERAL FOR CANADA	\$2,536,827.21
SMEAL FIRE APPARATUS CO.	\$252,957.00
SOUTHERN RAILWAY- VANCOUVER ISLAND	\$947,710.49
SPARKER CONSTRUCTION LTD	\$153,550.04
STANTEC CONSULTING LTD.	\$235,687.72
STAPLES MCDANNOLD STEWART	\$33,911.52
STAPLES MCDANNOLD STEWART IN TRUST	\$129,861.50
SUBURBAN MOTORS	\$56,399.14
SUNCORP VALUATIONS	\$37,997.36
TELUS COMMUNICATIONS	\$140,039.18
TELUS MOBILITY	\$49,873.54
TEMPEST DEVELOPMENT GROUP	\$32,819.13
TERASEN GAS	\$264,944.48
TERRY E. DUNCAN	\$31,088.79
TRIO READY-MIX (1971) LTD	\$31,608.39
VAN ISLE WATER SERVICES LTD	\$38,412.05
VICTORIA,THE CORP. OF THE CITY OF	\$6,363,870.33

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

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

Supplier Name	Amount
VIMAR EQUIPMENT LTD	\$204,789.49
WOLSELEY CANADA INC	\$28,861.51
WORKERS' COMPENSATION BOARD OF B.C.	\$161,270.99
YOUNG, ANDERSON BARRISTERS & SOLICITORS	<u>\$50,256.79</u>
AGGREGATE OVER \$25,000 (80)	\$27,246,763.78
AGGREGATE UNDER \$25,000 (942)	<u>\$2,326,296.03</u>
TOTAL (1022)	<u>\$29,573,059.81</u>

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

THE CORPORATION OF THE TOWNSHIP OF ESQUIMALT
2009 Statement of Financial Information

Financial Reporting Responsibility

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

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

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

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



Robin Middleton, CA
Chief Financial Officer



Scott Hartman
A/Chief Administrative Officer

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Financial Position

December 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Financial assets:		
Cash and cash equivalents (note 3)	\$ 14,978,901	\$ 15,678,991
Property taxes receivable	422,845	466,188
Tax sale receivable	-	529,549
Accounts receivable	763,855	909,654
Other receivables	968,022	-
Property acquired for taxes	181,200	181,200
MFA debt reserve cash	176,184	171,303
	17,491,007	17,936,885
Financial liabilities:		
Payables and accrued liabilities	7,122,416	7,155,710
Deferred revenue and deposits (note 4)	1,242,232	1,449,551
Long-term debt (note 5)	11,306,227	11,859,096
Obligations under capital leases (note 6)	97,230	153,994
Employee benefit and retirement obligations (note 7)	995,692	925,031
	20,763,797	21,543,382
Net debt	(3,272,790)	(3,606,497)
Non-financial assets:		
Tangible capital assets (note 8)	70,745,096	66,153,945
Inventory of supplies	78,787	85,686
Prepaid expenses and deposits	754,174	628,249
	71,578,057	66,867,880
Accumulated surplus (note 9)	\$ 68,305,267	\$ 63,261,383

Commitments and contingent liabilities (note 12)

See accompanying notes to financial statements.



Robin Middleton, CA

CFO and Director of Financial Services

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Operations

Year ended December 31, 2009, with comparative figures for 2008

	Budget	2009	2008
	(unaudited - note 13)		(Restated - note 2)
Revenue:			
Taxes for municipal purposes (note 10)	\$ 12,592,208	\$ 12,699,908	\$ 11,694,124
Payments in lieu of taxes (note 11)	8,750,760	8,750,626	8,212,472
Sale of services	3,152,351	3,176,131	3,305,289
Other revenue from own sources	2,487,660	2,552,903	2,226,492
Conditional transfers from other governments	4,280,810	4,005,706	190,374
Unconditional transfers from other governments	599,365	982,441	557,042
Total revenue	31,863,154	32,167,715	26,185,793
Expenses:			
General government	3,899,392	3,199,126	2,535,572
Protective services	9,588,680	10,135,644	8,934,262
Transportation services	2,237,193	3,408,682	3,654,685
Environmental health	1,164,421	1,787,649	1,388,424
Environmental development	638,289	320,545	388,080
Recreation, parks and culture	7,529,763	8,272,185	7,909,057
Total expenses	25,057,738	27,123,831	24,810,080
Annual surplus	6,805,416	5,043,884	1,375,713
Accumulated surplus, beginning of year	63,261,383	63,261,383	61,885,670
Accumulated surplus, end of year	\$ 70,066,799	\$ 68,305,267	\$ 63,261,383

See accompanying notes to financial statements.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Change in Net Financial Assets

Year ended December 31, 2009, with comparative figures for 2008

	Budget (unaudited - note 13)	2009	2008 (Restated - note 2)
Annual surplus	\$ 6,805,416	\$ 5,043,884	\$ 1,375,713
Acquisition of tangible capital assets	(11,584,619)	(6,852,879)	(4,520,626)
Amortization of tangible capital assets	-	2,226,384	2,251,536
Proceeds on sale of tangible capital assets	-	35,344	6,901
	(11,584,619)	(4,591,151)	(2,262,189)
Consumption of inventory of supplies	-	6,899	(32,870)
Use of prepaid expenses	-	(125,925)	(40,240)
	-	(119,026)	(73,110)
Change in net financial assets (debt)	(4,779,203)	333,707	(959,586)
Net debt, beginning of year	(3,606,497)	(3,606,497)	(2,646,911)
Net debt, end of year	\$ (8,385,700)	\$ (3,272,790)	\$ (3,606,497)

See accompanying notes to financial statements.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Statement of Cash Flows

Year ended December 31, 2009, with comparative figures for 2008

	2009	2008
		(Restated - note 2)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 5,043,884	\$ 1,375,713
Items not involving cash:		
Amortization of tangible capital assets	2,226,384	2,251,536
Change in employee benefits and other liabilities	70,661	76,550
Actuarial adjustment on debt	(105,041)	(80,163)
Change in non-cash operating assets and liabilities:		
Property taxes receivable	43,343	(307,500)
Tax sale receivable	529,549	-
Accounts receivable	145,799	(265,776)
Other receivables	(968,022)	-
MFA debt reserve fund cash	(4,881)	(6,903)
Payables and accrued liabilities	(33,294)	(356,892)
Deferred revenue and deposits	(207,319)	263,990
Inventory of supplies	6,899	(32,870)
Prepaid expenses and deposits	(125,925)	(40,240)
	<u>6,622,037</u>	<u>2,877,445</u>
Capital activities:		
Acquisition of tangible capital assets	(6,852,879)	(4,520,626)
Proceeds on sale of tangible capital assets	35,344	6,901
	<u>(6,817,535)</u>	<u>(4,513,725)</u>
Financing activities:		
Capital lease principal repaid	(56,764)	(73,602)
Long-term debt principal repaid	(447,828)	(447,830)
	<u>(504,592)</u>	<u>(521,432)</u>
Decrease in cash and cash equivalents	(700,090)	(2,157,712)
Cash and cash equivalents, beginning of year	15,678,991	17,836,703
Cash and cash equivalents, end of year	<u>\$ 14,978,901</u>	<u>\$ 15,678,991</u>

See accompanying notes to financial statements.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements

Year ended December 31, 2009

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 provision 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 generally accepted accounting principles 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) 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.

(b) 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 expenses are not yet incurred are included in deferred revenue.

(c) Deferred revenue:

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

(d) 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(e) Investments:

Investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds are recorded at cost plus earnings reinvested in the funds.

(f) Long-term debt:

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

(g) Employee future benefits:

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

Sick leave 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.

- (ii) The costs of multi-employer defined contribution pension plan benefits, such as the Municipal Pension Plan, are the employer's contributions due to the plan in the period.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(h) Non-financial assets:

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

(i) Tangible capital assets

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

Asset	Useful life - 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 in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their 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.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(iv) Interest capitalization

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

(v) Leased tangible capital 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.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 provisions for accrued liabilities and in performing actuarial valuations of employee future benefits.

In addition, the Township's implementation of the Public Sector Accounting Handbook PS 3150 has required management to make estimates of historical cost and useful lives of tangible capital assets.

Actual results could differ from these estimates.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

2. Change in accounting policy:

The Township has implemented Public Sector Accounting Board ("PSAB") sections 1200 Financial Statement Presentation and 3150 Tangible Capital Assets. Section 1200 establishes general reporting principles and standards for the disclosure of information in government financial statements. Section 3150 requires governments to record and amortize their tangible capital assets in their financial statements. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction.

Methods used for determining the cost of each major category of tangible capital assets:

The financial information recorded includes the actual or estimated historical cost of the tangible capital assets. When historical cost records were not available, other methods were used to estimate the costs and accumulated amortization of the assets. The Township applied a consistent method of estimating the replacement or reproduction cost of the tangible capital assets for which it did not have historical cost records, except in circumstances where it could be demonstrated that a different method would provide a more accurate estimate of the cost of a particular type of tangible capital asset. After defining replacement or reproduction cost, indices including the consumer price index were used as a resource for deflating the replacement or reproduction cost to an estimated historical cost at the year of acquisition. This change has been applied retroactively and prior periods have been restated. This change in accounting policy resulted in a restatement of the following previously reported amounts:

Accumulated surplus at January 1, 2008:

Operating fund balance	\$ 1,788,541
Capital fund balance	3,505,572
Reserves	4,830,309
Equity in tangible capital assets	47,509,910
Accumulated surplus, as previously reported	57,634,332
Change in tangible capital assets	3,819,979
Recognition of deferred revenue	266,959
MFA cash deposits	164,400
Accumulated surplus, as restated	\$ 61,885,670

Annual surplus for 2008:

Net revenues, as previously reported	\$ (899,241)
Assets capitalized but previously expensed	4,520,624
Amortization expense not previously recorded	(2,251,536)
Adjustment for proceeds received	(1,037)
Increase in MFA cash deposits	6,903
Annual surplus, as restated	\$ 1,375,713

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

3. Cash and cash equivalents:

	2009	2008
Cash and bank deposits	\$ 759,664	\$ 366,214
Municipal Finance Authority Money Market Funds	14,219,237	15,312,777
	<u>\$ 14,978,901</u>	<u>\$ 15,678,991</u>

4. Deferred revenue and deposits:

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

	2009	2008
Gas Tax Agreement Funds	\$ 51,545	\$ 241,216
Gaming revenue	150,897	424,868
Trust and deposit liabilities	285,551	72,429
Unearned recreation fees	307,074	320,623
Property tax installments	376,309	344,388
Miscellaneous	70,856	46,027
	<u>\$ 1,242,232</u>	<u>\$ 1,449,551</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 local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

Schedule of Receipts and Disbursements of Gas Tax Agreement Funds:

	2009	2008
Opening balance	\$ 241,216	\$ 82,477
Add:		
Amounts received during the year	509,666	258,770
Interest earned	6,590	4,177
	<u>516,256</u>	<u>262,947</u>
Less expenditures	(705,927)	(104,208)
Closing balance	<u>\$ 51,545</u>	<u>\$ 241,216</u>

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

5. Long-term debt:

Bylaw Purpose	Matures	Rate	Original Amount	Gross Balance	Sinking Fund	Net Balance	
						2009	2008
General Capital							
2492 Recreation Centre	12/3/2022	5.370 %	\$ 4,000,000	\$ 4,000,000	\$ 988,720	\$ 3,011,280	\$ 3,174,014
2492 Recreation Centre	10/3/2023	4.775 %	2,800,000	2,800,000	583,003	2,216,997	2,326,389
			6,800,000	6,800,000	1,571,723	5,228,277	5,500,403
Sewer Capital							
2289 Sanitary Sewers	11/5/2012	5.850 %	425,000	425,000	315,899	109,101	143,044
2565 Sanitary Sewers	12/2/2024	4.975 %	1,256,000	1,256,000	210,723	1,045,277	1,091,631
2565 Sanitary Sewers	12/2/2025	4.170 %	2,012,000	2,012,000	289,403	1,722,597	1,799,258
2565 Sanitary Sewers	12/3/2022	4.430 %	1,129,000	1,129,000	119,299	1,009,701	1,051,037
2565 Sanitary Sewers	12/3/2022	4.820 %	2,353,000	2,353,000	161,726	2,191,274	2,273,723
			7,175,000	7,175,000	1,097,050	6,077,950	6,358,693
			\$ 13,975,000	\$ 13,975,000	\$ 2,668,773	\$ 11,306,227	\$ 11,859,096

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

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

Total interest on long term debt for the year was \$678,801 including accrued interest of \$94,670 (2008 – \$678,844 including accrued interest of \$94,670).

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

5. Long-term debt (continued):

The aggregate amount of payments required on the Township's long-term debt during each of the next five years is as follows:

2010	\$	447,828
2011		447,828
2012		447,828
2013		428,132
2014		428,132
Thereafter		9,106,479
		\$ 11,306,227

The loan agreements with the Capital Regional District and the MFA provide that if, at any time, the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowings, the resulting deficiency becomes a liability of the Township.

6. Obligations under capital lease:

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

	2009	2008
2010	\$ 60,166	\$ 61,559
2011	29,308	57,210
2012	23,607	28,091
2013	4,569	22,659
2014	-	4,569
Total minimum payments	117,650	174,088
Less amounts representing interest (at prime plus 1%)	(20,420)	(20,094)
Present value of net minimum capital lease payments	\$ 97,230	\$ 153,994

Total interest on leases for the year was \$1,905 (2008 - \$7,720).

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

7. 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. The accrued benefit obligations and the net periodic benefit cost were estimated by an actuarial valuation completed effective for December 31, 2009.

Information about liabilities for employee benefit plans is as follows:

	2009	2008
Accrued benefit liability, beginning of year	\$ 925,031	\$ 848,481
Service cost	69,800	72,000
Interest cost	42,700	37,800
Benefit payments	(30,900)	(29,500)
Special agreement refund accrual	(10,939)	(3,750)
Accrued benefit liability, end of year	\$ 995,692	\$ 925,031

The actuarially accrued benefit obligation set out in the actuarial valuation is \$840,200 (2008 - \$777,500), resulting in a variance of \$155,492 between the obligation and the accrued benefit liability of \$995,692 (2008 - \$925,031). The variance is composed of the following two amounts: an actuarial net gain of \$128,400 (2008 - \$117,200) and the special agreement refund accrual of \$27,092 (2008 - \$30,331). This actuarial gain is being amortized over a period equal to the employees' average remaining service lifetime of 11 years.

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

	2009	2008
Discount rates	4.75 %	4.75 %
Expected inflation rate	2.50 %	2.50 %
Expected wage and salary increases, based on age and gender	2.63% to 4.63%	2.63% to 4.63%

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

7. Employee benefit and retirement obligations (continued):

Other pension plans

The Township and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee 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 pension plan is a multi-employer contributory pension plan, and basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 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, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009, with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. In 2009, the Township paid \$763,094 (2008 - \$722,744) for employer contributions and Township employees paid \$600,087 (2008 - \$568,431) for employee contributions.

GVLRA – CUPE Long-Term Disability Trust

The Trust is a multi-employer plan established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The Township and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined at December 31, 2009 to be \$10,410,807 with a net surplus of \$1,452,478. The Township paid \$28,892 (2008 - \$17,120) for employer contributions in fiscal 2009.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

8. Tangible capital assets:

Cost	Balance December 31, 2008	Additions	Disposals	Balance December 31, 2009
Land and land improvements	\$ 36,354,737	\$ 160,799	\$ -	\$ 36,515,536
Building and building improvements	17,021,246	-	-	17,021,246
Vehicles, machinery and equipment	6,198,673	527,202	(68,847)	6,657,028
Water and wastewater infrastructure	16,757,498	-	-	16,757,498
Roads infrastructure	26,813,737	237,887	-	27,051,624
Work in progress	3,027,163	5,926,991	-	8,954,154
Total	\$106,173,054	\$ 6,852,879	\$ (68,847)	\$112,957,086

Accumulated amortization	Balance December 31, 2008	Disposals	Amortization expense	Balance December 31, 2009
Land and land improvements	\$ 8,947,178	\$ -	\$ 124,270	\$ 9,071,448
Building and building improvements	5,774,149	-	531,635	6,305,784
Vehicles, machinery and equipment	3,243,485	(33,503)	369,232	3,579,214
Water and wastewater infrastructure	9,093,815	-	279,285	9,373,100
Roads infrastructure	12,960,482	-	921,962	13,882,444
Total	\$ 40,019,109	\$ (33,503)	\$ 2,226,384	\$ 42,211,990

Net book value	December 31, 2008	December 31, 2009
Land and land improvements	\$ 27,407,559	\$ 27,444,088
Building and building improvements	11,247,097	10,715,462
Vehicles, machinery and equipment	2,955,188	3,077,814
Water and wastewater infrastructure	7,663,683	7,384,398
Roads infrastructure	13,853,255	13,169,180
Work in progress	3,027,163	8,954,154
Total	\$ 66,153,945	\$ 70,745,096

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

8. Tangible capital assets (continued):

(a) Assets under construction

Assets under construction having a value of \$8,954,154 (2008 - \$3,027,163) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution.

(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 (2008 - \$nil).

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

9. Accumulated surplus:

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

	2009	2008
Surplus:		
Equity in tangible capital assets	\$ 59,341,639	\$ 54,140,855
Unappropriated operating funds	2,705,750	2,249,946
Total surplus	62,047,389	56,390,801
Appropriated operating funds:		
Celebrations Rainy Day	8,000	8,000
Future expenditure	809,666	969,504
Property acquired for taxes	181,200	181,200
Uncollected taxes	100,000	100,000
Working capital	400,000	400,000
Total appropriated operating funds	1,498,866	1,658,704
Reserve funds set aside for specific purposes by Council:		
Capital Projects	1,650,403	1,908,225
Local Improvement	121,201	175,228
Machinery and Equipment	2,396,180	2,563,235
Municipal Archives Trust	5,278	5,225
Parkland Acquisition	423,384	418,794
Tax Sale Lands	142,719	141,171
Sustainability Reserve	19,847	-
Total reserve funds	4,759,012	5,211,878
	\$ 68,305,267	\$ 63,261,383

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

10. Taxes:

	2009	2008
Taxes for municipal purposes:		
Property tax	\$ 12,477,943	\$ 11,481,730
1% Utility tax	221,965	212,394
	\$ 12,699,908	\$ 11,694,124

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.

	2009	2008
Taxes, requisitions and levies collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 5,259,034	\$ 5,117,105
Capital Regional District - requisition	1,375,546	1,395,100
Capital Regional District - 9-1-1 call answer levy	70,939	75,989
Capital Regional Hospital District - requisition	600,507	506,998
British Columbia Assessment Authority	174,330	164,787
British Columbia Transit - Victoria Regional Transit Commission	488,969	418,590
Municipal Finance Authority	515	442
	\$ 7,969,840	\$ 7,679,011

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

11. Payments in lieu of taxes:

	2009	2008
Payments in lieu of taxes received for municipal purposes:		
Federal government	\$ 8,604,159	\$ 8,046,210
British Columbia Hydro & Power Authority	131,017	151,619
Liquor Distribution Branch	13,226	12,523
Provincial Rental Housing Corporation	2,224	2,120
	\$ 8,750,626	\$ 8,212,472
Payments in lieu of taxes collected on behalf of the following agencies are not included in these statements:		
Province of British Columbia - school purposes	\$ 2,926,160	\$ 3,439,218
Capital Regional District	939,773	962,764
Capital Regional Hospital District	313,997	266,709
British Columbia Assessment Authority	128,788	123,181
British Columbia Transit - Victoria Regional Transit Commission	369,732	316,966
Municipal Finance Authority	273	135
Other Revenue - General	-	2
	\$ 4,678,723	\$ 5,108,975

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

12. Commitments and contingent liabilities:

(a) Contractual commitments:

At December 31, 2009, the following major contracts were in progress:

	Total amount of contract	Paid on contract to December 31, 2009
Instituform Technologies Ltd.	\$ 1,739,424	\$ 1,704,190
Aggressive Excavating	2,478,335	2,370,304
Northridge Equipment	1,714,242	1,371,192
Stantec Engineering	374,300	339,742
1st Team Consulting	431,732	477,978
	<u>\$ 6,738,033</u>	<u>\$ 6,263,406</u>

(b) Municipal Finance Authority 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 are included in the Township's financial assets as restricted cash and are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Township. At December 31, 2009 there were contingent demand notes of \$426,971 (2008 - \$426,971) which are not included in the financial statements of the Township.

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

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

13. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2009 operating and capital budgets approved by Council on May 13, 2009. Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 38,483,777
Less:	
Transfers from other funds	(5,030,885)
Proceeds on debt issue	(1,589,738)
Total revenue	31,863,154
Expenses:	
Operating budget	38,483,777
Less:	
Capital expenses	(11,584,619)
Transfer to other funds	(1,393,580)
Debt principal payments	(447,840)
Total expenses	25,057,738
Annual surplus	\$ 6,805,416

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 areas. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(i) General Government:

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

14. Segmented information (continued):

(ii) Protective Services:

Protective services is comprised of four different functions, including the Township's emergency program services, fire, police and regulatory and development services. The emergency program services prepares the Township to be more prepared and able to respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The police services provided by the City of Victoria ensures the safety of the lives and property of the Township as well as Victoria citizens through the enforcement of municipal bylaws, criminal laws and the laws of British Columbia, the maintenance of law and order; and the prevention of crime. The mandate of the regulatory and development services is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community and to provide a full range of planning services related to zoning, development permits, variance permits, and current regulatory issues.

(iii) Transportation Services:

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

(iv) Environmental Health Services:

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

(v) Environmental Development:

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

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

14. Segmented information (continued):

(vi) Recreation, Parks and Culture:

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

Certain allocation methodologies have been employed in the preparation of the segmented financial information. Taxation and payments-in-lieu of taxes are apportioned based on budgeted taxation revenue as presented in the 2009-2013 consolidated financial plan.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

14. Segmented information (continued):

2009	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	Total
Revenue:							
Taxation	\$ 21,450,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,450,534
Goods and services	2,195,841	34,699	225,269	179,512	146,305	2,947,408	5,729,034
Government transfers	729,006	378,503	3,780,249	-	-	100,389	4,988,147
Total revenue	24,375,381	413,202	4,005,518	179,512	146,305	3,047,797	32,167,715
Expenses:							
Salaries and wages	1,780,170	3,150,519	1,379,744	319,897	321,297	4,718,682	11,670,309
Materials, supplies and services	1,190,144	6,884,043	945,745	858,166	(2,964)	2,671,129	12,546,263
Interest and other	2,074	-	-	330,301	-	348,500	680,875
Amortization	226,738	101,082	1,083,193	279,285	2,212	533,874	2,226,384
Total expenses	3,199,126	10,135,644	3,408,682	1,787,649	320,545	8,272,185	27,123,831
Annual surplus (deficit)	\$ 21,176,255	\$ (9,722,442)	\$ 596,836	\$ (1,608,137)	\$ (174,240)	\$ (5,224,388)	\$ 5,043,884

CORPORATION OF THE TOWNSHIP OF ESQUIMALT

Notes to Financial Statements (continued)

Year ended December 31, 2009

14. Segmented information (continued):

2008	General Government	Protective Services	Transportation Services	Environmental Health Services	Environmental Development Services	Recreation and Cultural Services	Total (Restated - note 2)
Revenue:							
Taxation	\$ 19,906,596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,906,596
Goods and services	1,143,382	38,005	1,043,871	294,291	177,025	2,835,207	5,531,781
Government transfers	38,828	193,077	420,595	60,152	-	34,764	747,416
Total revenue	21,088,806	231,082	1,464,466	354,443	177,025	2,869,971	26,185,793
Expenses:							
Salaries and wages	1,371,283	3,036,858	1,441,833	326,714	256,638	4,472,287	10,905,613
Materials, supplies and services	900,898	5,793,625	1,133,776	452,081	128,464	2,547,626	10,956,470
Interest and other	17,617	-	-	330,344	-	348,500	696,461
Amortization	245,774	103,779	1,079,076	279,285	2,978	540,644	2,251,536
Total expenses	2,535,572	8,934,262	3,654,685	1,388,424	388,080	7,909,057	24,810,080
Annual surplus (deficit)	\$ 18,553,234	\$ (8,703,180)	\$ (2,190,219)	\$ (1,033,981)	\$ (211,055)	\$ (5,039,086)	\$ 1,375,713