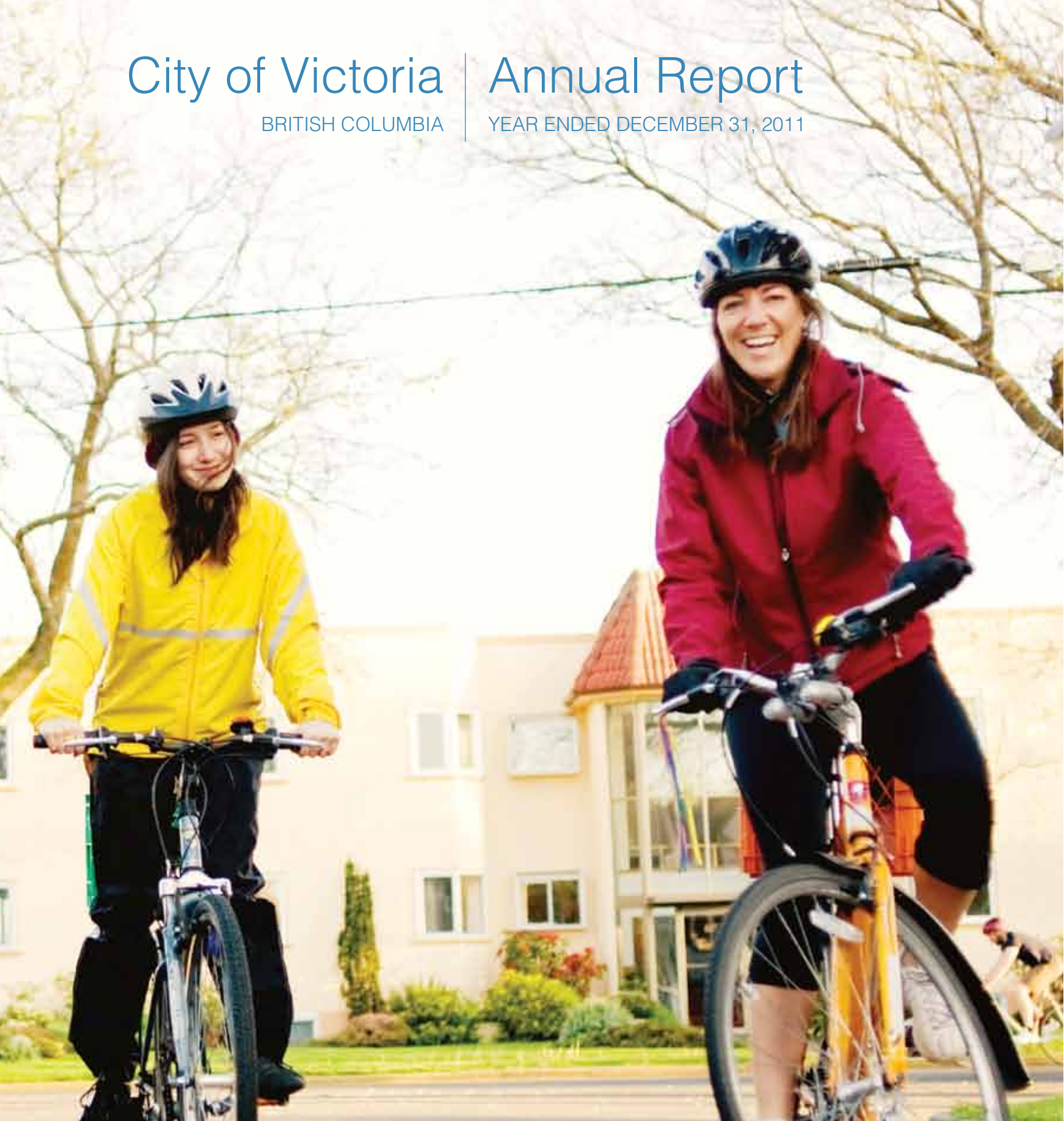


City of Victoria

BRITISH COLUMBIA

Annual Report

YEAR ENDED DECEMBER 31, 2011



Celebrating our history. Engaging our community. Building our future.





Welcome to Victoria

This document was prepared by Corporate Communications, Corporate Planning and Policy, and the Finance Department of the City of Victoria.



Located on the southern tip of Vancouver Island, the City of Victoria is home to close to 83,000 people and is the economic and entertainment centre for the Capital Region's 350,000 residents. We are proud of our distinction as the Capital City of British Columbia. We are fortunate to host many thriving industries, including tourism, education, high tech and marine use.

Facing new challenges each day, the City of Victoria is evolving to find innovative ways of providing the highest level of service possible. We are building on the strengths of today, to make Victoria even stronger for the generations of tomorrow.

Celebrating our history. Engaging our community. Building our future.



Table of Contents

Annual Report

Building Our Future	5	Pursuing Operational Excellence	15
Message from the Mayor	7	Building a Strong Community	19
Mayor and City Council	8	Growing Our Economy	23
Message from the City Manager	10	Respecting Our Environment	27
Message from the Director of Finance	11	Victoria Fire Department	31
Organizational Chart	12	Victoria Police Department	33
Our Mission and Values	13	Looking Forward	72

Financial Report

Consolidated Financial Statements	35	Statistical Information	58
Management's Responsibility	36	Taxable Assessments of Land and Improvements	59
Auditor's Report	37	Property Tax Rates 2007–2011	60
Statement of Financial Position	38	Property Tax Levied and Collected 2007–2011	61
Statement of Operations and Accumulated Surplus	39	2010 Principal Corporate Tax Payers	62
Statement of Change in Net Financial Assets	40	Debenture Debt 2007–2011	63
Statement of Cash Flows	41	Labour Force Activity 2007–2011	64
Notes to Financial Statements	42	Revenue and Expenses 2007–2011	64
		Reserve Funds and Statement of Surplus 2007–2011	65
		Capital Expenditures and Funding Sources 2007–2011	66
		2011 Grants	67



Building our future

Facing new challenges each day, the City of Victoria is evolving to find innovative ways of providing the highest level of service possible. We're building on the strengths of today, to make Victoria even stronger for the generations of tomorrow.

Our Local Government

As an organization, our greatest strength is our people. When envisioning the potential for our public service, we must embrace technology and different ways of thinking, and provide our staff the tools they need to effectively serve this great city. We will continue to explore options for growing revenue, and managing our assets and debt. By improving access to City services and information, investing in our staff, and building strong relationships with the community, we will see results.

Our Community

Over the next 30 years, Victoria is expected to grow by an additional 20,000 residents. Taking the long view, we recognize the importance of building a strong community. Victoria is a city where arts and athletics, literacy and technology are interwoven. We need to consider how each part of the city works together to affect the whole, and strive to be an inclusive and accessible community for people from all walks of life. Our unique neighbourhoods, each with their own individual character and sense of place, must be nurtured and allowed to flourish.

Our Economy

Victoria is a hotbed for a talented and diverse pool of creative and innovative people in technology, arts and culture, tourism, maritime industries, and other pursuits. We need to set the stage and plan for the future in order to ensure that these industries not only survive, but thrive. In order to build a strong economy we must actively recruit businesses and support targeted investment in infrastructure, strategic partnerships and marketing.

Our Environment

In the City of Victoria, we are blessed with an abundance of natural resources and beauty. In everything we do, respecting our environment remains at the forefront. The City will continue to work towards being carbon neutral by the end of 2012, and the goal of reducing our community's greenhouse gas emissions by 2020. We will move to become more sustainable, living within the planet's means, and sharing resources equitably.

Celebrating our history. Engaging our community. Building our future.



Top to bottom: Change of Command Ceremony at Victoria Fire Department, Victoria – Changsha Friendship City Agreement signing ceremony, Opening of Glass Half Full art installation, Opening of Camas Gardens supported housing.

Message from the Mayor

Celebrating our history. Engaging our community. Building our future.

On behalf of Victoria City Council, I am proud to share the City of Victoria's key initiatives and accomplishments of the past year. I encourage you to read through this year's Annual Report – it outlines all the work Council and our dedicated staff have undertaken to ensure Victoria remains a healthy, vibrant and sustainable city.

2011 was a remarkable year for the City of Victoria. We invested in numerous community parks like Fisherman's Wharf Park in James Bay, Cridge Park downtown, and the new bike skills park in Burnside Gorge; we continued to invest in numerous festivals and community events; and we created an Economic Development Strategy to help guide investment in our downtown.

Housing and homelessness remain at the top of our priority list, and through our Housing Trust Fund we continue to invest in affordable and supportive housing projects. As well, the two motels the City purchased are moving ahead. Queens Manor opened, and in 2012 will undergo major renovations to improve both the inside and outside of the building. The second property on Gorge Road will also see renovations begin next year, with the goal of offering affordable housing for aboriginal families and youth.

We are far from done with the challenge of solving homelessness – but we are a committed community, with a number of agencies stepping up and working on great projects within the city.

We completed the Downtown Core Area Plan, and are in the final stages of our renewed Official Community Plan. Both of these projects are vital to ensuring

our community grows in a smart and sustainable way, with a focus on our unique downtown and our vibrant neighbourhood villages. These plans will ensure we enhance what makes Victoria so special, open up to new opportunities, and keep our city alive and thriving in every corner.

City Hall is also placing a stronger focus on improving customer service to our residents, businesses and visitors. That means finding innovative ways of providing the highest level of service in a helpful, straight-forward and timely manner. As part of this effort we launched a new city website that is streamlined and easy to use. The new website will also help us advance our Open Government agenda, so that residents, businesses, and visitors have quick and easy access to the information they need.

The Johnson Street Bridge replacement project continues. Last year the design plans were finalized, a duct that lay under the bridge was relocated, the rail bridge was decommissioned and work began to ready the site for the construction. This summer we will award the final, fixed contract for the construction of the new bridge.

It will be approximately three more years before the new bridge is complete, and will offer dedicated bike lanes, a multi-use path that connects with the Galloping Goose and E&N Rail Trail, as well as separated pedestrian sidewalks. This new bridge will make it easier and safer for cyclists, drivers, and walkers to get across this vital link in and out of our downtown.

And we can't forget we held a municipal election last year. In December 2011 your new City Council team took the oath of office, and have been moving full stream ahead ever since. I encourage you to get to know all your elected councillors – each one brings great expertise, passion and commitment to the table and a desire to make our city the best it can be.

This is just a snapshot – there is so much more to report on. Please read through this report for the full picture. Needless to say, there is no doubt that 2011 was a year of growth and progress, and 2012 is set to continue that trend.

Looking forward, the City of Victoria celebrates its 150th anniversary in 2012. There will be events happening all summer long, all across the city – please take part and help us mark this milestone. The CityVibe Guide has a full listing of events, and also remember to keep your eyes and ears open for local community sponsored events as well.

Thanks to all of you who give so much back to our community. I am confident that by working together Victoria will remain an outstanding city in which to live, work and play.

Dean Fortin



MAYOR

Mayor and City Council



2011 – 2014

The Mayor and Council of the City of Victoria were each elected for a three-year term in the municipal election held in November 2011. Each member is appointed to standing portfolios, City and regional committees and is responsible for a particular Victoria neighbourhood.

Portfolio

- CRD Board of Directors/Committee of the Whole
- CRD Core Area Liquid Waste Management Committee
- CRD Hospital Board
- CRD Planning, Transportation and Protective Services Committee (Vice Chair)
- CRD Transportation Select Committee
- Coalition to End Homelessness (Co-chair)
- Greater Victoria Labour Relations Association Board
- Victoria Conference Centre Advisory Board
- Victoria Police Board (Chair)
- Victoria Regional Transit Commission (ex officio)



Marianne Alto

Neighbourhood: Oaklands

- CRD Board of Directors
- CRD Hospital Board
- CRD Water Supply Commission (Alternate)
- CRD Core Area Liquid Waste Management Committee
- CRD Planning, Transportation and Protective Services Committee
- CRD Transportation Select Committee
- Capital Region Housing Corporation Board
- Victoria Conference Centre Advisory Committee
- 150th Anniversary Planning Committee
- Downtown Victoria Business Assoc.
- Victoria Regional Transit Commission
- City of Victoria Planning and Land Use Standing Committee (Chair)
- City of Victoria Corporate Services Standing Committee



Chris Coleman

Neighbourhood: James Bay

- CRD Board of Directors (Alternate)
- Capital Region Housing Corporation Board (Alternate)
- CRD Hospital Board (Alternate)
- CRD Water Supply Commission
- Greater Victoria Labour Relations Association Board
- City of Victoria Corporate Services Standing Committee (Chair)



Shellie Gudgeon

Neighbourhood: North Park and North/South Jubilee

- CRD Water Supply Commission
- Tourism Victoria Board of Directors
- Tourism Victoria Destination Marketing Commission
- Victoria Parks and Recreation Foundation
- Greater Victoria Harbour Authority
- City of Victoria Corporate Services Standing Committee



Lisa Helps

Neighbourhood: Downtown and Victoria West

- CRD Board of Directors (Alternate)
- Capital Region Housing Corporation Board (Alternate)
- CRD Hospital Board (Alternate)
- CRD Water Supply Commission
- City of Victoria Youth Council
- Greater Victoria Family Court and Youth Justice Committee
- City of Victoria Planning and Land Use Committee



Ben Isitt

Neighbourhood: Hillside/Quadra and Rockland

- CRD Board of Directors
- CRD Water Supply Commission
- CRD Regional Parks Committee
- CRD Finance and Corporate Services Committee
- CRD Core Area Liquid Waste Management Committee
- CRD Water Supply Commission
- CRD Hospital Board
- Solid Waste Advisory Committee
- Capital Region Hospital Board
- Greater Victoria Airport – Consultative Committee
- Coalition to End Homelessness
- Provincial Capital Commission
- City of Victoria Community Development, Environment & Infrastructure Standing Committee



Pamela Madoff

Neighbourhood: Fairfield/Gonzales

- CRD Board of Directors (Alternate)
- CRD Arts Advisory Council
- CRD Arts Committee
- CRD Hospital Board (Alternate)
- CRD Water Supply Commission (Alternate)
- CRD Region Housing Corporation Board (Alternate)
- Greater Victoria Harbour Authority
- Greater Victoria Public Library Board
- Royal and McPherson Theatres Society Board
- Victoria Civic Heritage Trust
- Victoria Conference Centre Advisory Board
- Victoria Heritage Foundation
- City of Victoria Planning and Land Use Standing Committee



Charlayne Thornton-Joe

Neighbourhood: Burnside Gorge

- CRD Board of Directors (Alternate)
- Board of Cemetery Trustees of Greater Victoria
- CRD Hospital Board (Alternate)
- Capital Region Housing Corporation Board
- CRD Water Supply Commission (Alternate)
- Honorary Citizens Committee
- City of Victoria Community Development, Environment and Infrastructure Standing Committee (Chair)



Geoff Young

Neighbourhood: Fernwood

- CRD Board of Directors (Chair)
- CRD Hospital Board
- CRD Water Supply Commission (Alternate)
- CRD Core Area Liquid Waste Management Committee
- CRD Planning, Transportation and Protective Services Committee
- CRD Transportation Select Committee
- CRD Environmental Sustainability Committee
- CRD Finance and Corporate Services Committee
- CRD Regional Parks Committee
- Capital Regional Emergency Services Telecommunications Inc. (CREST)
- City of Victoria Community Development, Environment & Infrastructure Standing Committee

Message from the City Manager



With another tremendous year under our belts, I welcome this opportunity to reflect on the accomplishments of the past year. Serving a Capital City with over 3 million annual visitors and a bustling regional core, is no small feat. I feel so blessed to lead the team that makes it run so smoothly.

We are fortunate to be supported by a passionate and committed City Council and a wide array of community partners. Victoria has a proven record of delivering great results by working together and we will continue to build on the engagement of our community as we face our next challenges and opportunities.

2011 was a busy year, with a host of accomplishments across the organization and the community. With our 150th sesquicentennial celebration next year, 2012 will be even busier.

Over the next few years there will be increased focus on growing our economy and our role as a municipality in creating a community that attracts people and investment. Each City employee plays a role as an ambassador for Victoria. Whether we are the first person a new resident speaks to when calling for information, whether we are ensuring taxpayer finances are in order, whether we're enforcing bylaws to maintain balance in a neighbourhood, or whether

we are replacing a pipe, each City employee plays a role in supporting this great city, and leaving a lasting impression on the millions of customers we serve.

Global markets are improving since last year, albeit slowly, and economists note it will take years for economies and households to recover from the economic decline. These are times when creative and innovative solutions shine through, as we adapt to deliver high quality services to our customers.

Our commitment as we face challenging economic times ahead is to support Council and the community in delivering the greatest value for money and being responsive to citizens needs.

Thank you to our wonderful partners in the community and the team of City professionals in all departments. You make this city proud and do a tremendous job of keeping this city safe and running smoothly for millions to enjoy.

Sincerely,

A handwritten signature in black ink that reads "Gail Stephens". The signature is fluid and cursive, with the first name "Gail" being more prominent than the last name "Stephens".

Gail Stephens
City Manager

Message from the Director of Finance



I am pleased to present the City of Victoria's audited consolidated financial statements for the year ended December 31, 2011. The financial statements are the responsibility of the City's management and have been prepared in compliance with Section 167 of the *Community Charter* and in accordance with generally accepted accounting principles approved by the Public Sector Accounting Board (PSAB). The financial statements have been audited by KPMG LLP who have expressed in their opinion that these statements present fairly, in all material aspects, the financial position of the City as at December 31, 2011. The City maintains a system of internal accounting controls designed to safeguard the assets of the corporation and provide reliable financial information.

Results of Operations

At December 31, 2011 the City had an accumulated surplus of \$366 million, representing the economic resources available to the City, which was comprised mostly of equity in capital assets and reserves.

The City's revenues increased by \$7.5 million in 2011 principally due to increased tax revenues of \$5.7 million (\$4.0 million from property tax increases and \$1.7 million in assessment growth), unconditional government transfers increased by \$2.1 million, and the sale of goods, services and water increased by \$3.5 million. These increases were partially offset by a decrease in construction permit revenues of \$0.8 million.

The City's expenses increased by \$5.8 million in 2011 mainly resulting from increases in the amortization of capital assets (\$1 million), legal claim settlements (\$1.2 million), and maintenance and repair of City facilities (\$1.5 million).

Highlights

The annual surplus for the year, representing the economic resources gained by the City, was \$27.8 million. This was comprised mostly of increases in reserves and restricted cash (\$20.4 million) and equity in capital assets (\$8.6 million). The City's inventory of capital assets increased by \$22.3 million, resulting in a year ending net book balance in capital assets of \$320 million.

The City's financial statements continue to comply with all aspects of Public Sector Accounting Board and CICA standards for accounting and financial reporting. This was one of the contributing factors in the City's 2010 Annual Report being awarded the GFOA Canadian Award for Financial Reporting Excellence for the seventh consecutive year.

Facing new challenges each day, the City is evolving to find innovative ways of providing the highest level of service possible. I would like to acknowledge City Council, Directors and staff in all City Departments, but in particular the staff in the Finance Department, for their commitment to innovation, continuous improvement and service to the community.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Warner', written over a horizontal line.

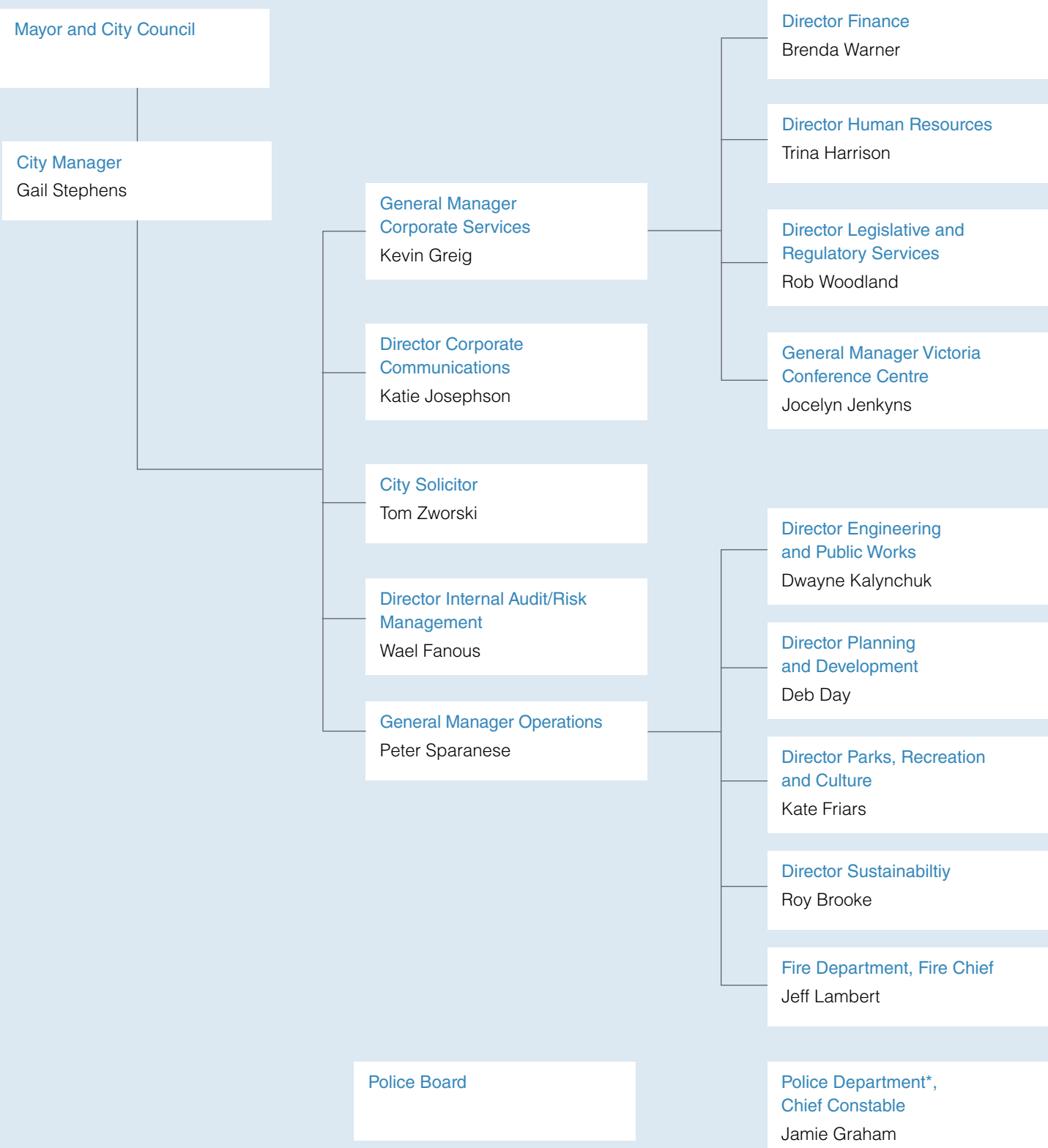
Brenda Warner
Director of Finance

April 19, 2012

2011 Corporate Organizational Chart

CITY OF VICTORIA

As of December 31, 2011



**The Police Department reports to the Police Board which is chaired by the Mayor.*

Celebrating our history. Engaging our community. Building our future.



Our Mission

We are proud and committed to making Victoria world class.

Our Values

Respect: We respect the dignity of others at all times.

Integrity: We are fair, ethical and honest.

Inclusivity: We honour and celebrate our diversity.

Compassion: We are caring, and treat each other with kindness.

Our Service Principles

Value for money: We strive to deliver high quality services and excellent value for your tax dollars.

Responsiveness: We go the distance to provide easy access to information and services.

Continuous improvement: We embrace innovation, best practices, and continuous learning.

Open and accountable: We listen, continually measure our performance and communicate the results.

Future oriented: We consider the needs of future generations when making decisions today.



Pursuing Operational Excellence

Powered by a talented and diverse team of employees, the City of Victoria is fostering top performance within our city government through innovative strategies that inspire continuous improvement. We are streamlining processes, eliminating duplication and leveraging technology to improve customer service and create a great place to work.

Sharpening the Focus on Customer Service

2011 marked the beginning of an extensive customer service review and establishing a customer service initiative at the City. The work started in 2011 will include business process and technology reviews, and construction to seismically upgrade our historic City Hall, upgrade the elevator to improve access to all areas of the building, and improve public service areas. Strategic effort is being placed on initiatives that “save customers a trip” and expedite or simplify processes.

Engaging our Community

The City of Victoria held a civic election in 2011. Voters were asked to select one Mayor and up to eight Councillors for a three year term starting in December, 2011. Total voter turnout was approximately 27%, with 17,249 ballots cast, within a few hundred votes of the 17,080 votes cast in the 2008 general election.

In an effort to make voting information as accessible as possible, the City of Victoria refreshed a free iPhone app for the 2011 election. The Victoria Votes app complemented other sources of voting information, including victoria.ca, Facebook, Twitter and voter information cards mailed directly to every household. The app provided information including where to find the nearest voting station, voter eligibility, and identification requirements.

With a very engaged local community, the City continued to utilize social media in 2011, including Facebook and Twitter, and achieved over 7,000 fans on Facebook – one of the most successful Facebook pages among Canadian municipalities – and 3,500 followers on Twitter.

Celebrating our Achievements

Victoria tied for first place with Vancouver as Canada's most sustainable city in 2011 (Corporate Knights awards), and received the Canadian Award for Financial Reporting from the Government Finance Officers Association of the United States and Canada for the seventh consecutive year. City Manager Gail Stephens was recognized for the third time as one of Canada's most powerful women, receiving the prestigious Canada's Most Powerful Women: Top 100 Awards in the Public Sector Leaders Category.

Greening our Operations

In 2011 the City hosted the Federation of Canadian Municipalities Sustainable Communities Conference, and signed the Green Innovation Letter of Intent between the City of Vancouver, City of Seattle and City of Victoria to confirm a commitment to work collaboratively and progressively toward showcasing the green innovation sector within the Pacific Northwest. In addition, the City completed the re-lamping of LED traffic signals in 2011, utilizing a model that has since been adopted by other municipalities.

2011 By the Numbers

- 177 media releases distributed
- 21 Council Meetings and 8 Special Council Meetings held
- 61 Public Hearings
- 58 Council committee meetings
- 21 Mayor's Open Door Sessions
- Responded to 87 FOI requests

Pursuing Operational Excellence, CONTINUED

What we said we would do:	What we achieved:
Enable Council to make informed and balanced decisions for long-term stability	<ul style="list-style-type: none">• Launched 2011–2012 Corporate Strategic Plan• Hosted first joint Council meeting with District of Saanich Council to discuss regional emergency preparedness and climate change planning• Consulted with all 11,488 households that currently receive City garbage services on kitchen scraps and garbage collection options; 4,316 survey returned, representing a 38% response rate
Strengthen citizen involvement in key municipal decision-making processes	<ul style="list-style-type: none">• Renewed a Memorandum of Understanding with the Victoria Youth Council to confirm City support for another three years. The Youth Council was formed in April 2005 to offer youth a voice in Victoria's government.• Implemented system where all Committee and Council agendas with reports are now posted online, providing quick reference to the public for reports both current and historical, and ensuring greater transparency.
Create a culture of performance and pride in public service	<ul style="list-style-type: none">• Average hours of in-house training per employee: 5.49, up from 4.64 in 2010• Average turnover rate for employees was 8.03% of FTE's, compared to 6.9% in 2010• 20% of performance plans were completed, compared to 42% in 2010 and 33% in 2009• Negotiated a new collective agreement with the Canadian Union of Public Employees Local 50 and the United Brotherhood of Carpenters and Joiners Local 1598
Sharpen the focus on customer service	<ul style="list-style-type: none">• Commenced renovations at City Hall to seismically upgrade, install a new elevator to make it more accessible, and improve customer service areas• Began developing a comprehensive Customer Service Strategy• Increased the number of online and telephone payment transactions to 83,866 from 82,548 in 2010• Number of in-person transactions also increased to 65,557 from 62,592 in 2010• 5 liquor licence applications or changes





Building a Strong Community

The City of Victoria is an outstanding place to live, work, play and visit. We strive to ensure our city remains caring and vibrant, with a sense of place, urban design and beauty.

Arts and Culture

In 2011, the City of Victoria sponsored a number of successful community events, including the 113th Victoria Day Parade, and the first annual Cycling Festival. The City also participated in Culture Days, two days of free, family-friendly interactive performing and visual art activities in Centennial Square.

The new CITYVibe app was launched in 2011, which was twice featured on the iTunes App Store's "New and Noteworthy" list. The app complements the CITYVibe publication, Victoria's guide to festivals and outdoor events.

Visitors to Beacon Hill Park were treated to an interpretative outdoor art exhibit, where a musical composition of gamelan music and bird song could be heard as visitors touched baskets hanging from various trees in the park. A free iPhone app provided an interactive map.

The newest public art piece was unveiled at Holland Point Park – the playful, interactive piece entitled "Glass Half Full". This installation is designed to be climbed on, spun, and enjoyed by adults and children alike.

The Beacon Hill Park Story Pole also received a makeover this year, made possible by a partnership between the City and local First Nations artists. The pole was cleaned and repainted, and continues to keep watch over the Strait of Juan de Fuca.

Sports and Recreation

During the run-up to the Stanley Cup finals in June, the City offered a variety of hockey-related events around town, including lunchtime road hockey games in Centennial Square. Many families and downtown

workers took part in the friendly games, encouraging a sense of community through sportsmanship.

The City partnered with the Victoria Minor Hockey Association and KidSport Greater Victoria to enable children aged six to 12 to play hockey through the Hockey Equipment Lending Program (HELP).

The Crystal Pool and Fitness Centre received an Accessibility Fund grant through Human Resources and Skills Development Canada to replace three lifts at Crystal Pool that improved access to the facility for individuals with a disability. In addition, a new 28-panel mural was unveiled at the pool. The Water Wall was a community art project development in partnership with the Vancouver Island School of Art.

In 2011 the City celebrated the grand opening of the new multi-use sports court and bike skills park at Cecilia Ravine Park. The two new amenities will enhance recreational opportunities for neighbourhood children and youth.

Parks

The City celebrated the renewal of the downtown Cridge Park and its historical significance, including the unveiling of four interpretative plaques commemorating the park's history and Bishop Cridge's contribution to Victoria. 2011 also marked the completion of construction on the Pandora Green Streetscape which includes a new pathway, seating areas, and outdoor performance space.

A new preschool playground was also created; the Balfour Playlot provides a new park option to families in the Burnside Gorge neighbourhood.

The jewel in the region's park system, Beacon Hill Park was ranked as one of the top 10 public spaces in Canada by Spacing Magazine. Also included in the magazine's top 200 were Victoria's Inner Harbour causeway, the Galloping Goose Regional Trail, Fernwood Square, and the Dallas Road waterfront.

Downtown Vitality

City Hall once again provided the backdrop for the Annual Carolling Week, showcasing choirs from local elementary schools around the region performing seasonal music. In addition, the City partnered on a number of holiday events during Spirit of the Season in the Square, including the 4th Annual Christmas Tree Light-Up, the 2nd Annual Victoria Figgy Pudding Carolling Competition, and the very popular outdoor skating rink in Centennial Square.

2011 marked the completion of the Spirit Square project, with the addition of umbrellas, tables and chairs to the Square to create a more welcoming atmosphere for all. The City also facilitated the move of the Sunday Market from Government Street into Centennial Square to add vibrancy to the area from April through September.

Housing First

Queens Manor continued to operate through a partnership between the City of Victoria and BC Housing. The City-owned facility, previously a motel, opened in 2010 to provide 36 units of safe and stable supported "low-barrier" housing.

In 2011 the City of Victoria received the Federation of Canadian Municipalities Community Award for the secondary suites program and grant.

Building a Strong Community, CONTINUED

What we said we would do:	What we achieved:
Ensure land development patterns are compact, human-scale and efficient	<ul style="list-style-type: none">• Over 6,000 tonnes of solid waste is recycled annually by the City• Total daily water consumption: 39,731,328 litres, compared to 44,546,329 in 2010
Ensure diverse and accessible opportunities to engage in arts, culture, sports and recreation	<ul style="list-style-type: none">• Attendance at City-sponsored events: 422,000• Total number of event permits: 230• Attendance at Crystal Pool: 250,000• Attendance at Royal Athletic Park: 44,587• Number of sports field/court bookings: 4,144• 105 bookings at Royal Athletic Park• Partnered with local media outlets once again to put on the annual Spirit of the Season in the Square events.• Received several Best of the City awards for dog and recreation facilities, including Best Free Run for Beacon Hill Park, and Best Place to Walk Your Dog for Dallas Road
Preserve and enhance Victoria's visual distinctiveness, character and heritage	<ul style="list-style-type: none">• 7 new heritage designations• Won an Award of Merit from the Hallmark Society, and an Outstanding Achievement Award from Heritage BC for the heritage restoration of Beacon Hill Park's original bandstand with an interpretive kiosk
Facilitate development of a wide range of housing types, tenures and prices to meet needs of all residents	<ul style="list-style-type: none">• 32 new secondary suites created• 13 homeowners took advantage of the Secondary Suites grant program• Council approved improvements to the Zoning Regulation Bylaw related to low density residential developments
Build capacity to anticipate and adapt to critical incidents, emergencies and catastrophic events	<ul style="list-style-type: none">• 385 total fires attended by the Victoria Fire Department, down from 410 in 2010• 95 active volunteers with the Victoria Emergency Management Agency (VEMA)• 3,398 people attended a VEMA Emergency Preparedness talk





Growing Our Economy

At the City of Victoria we are sharpening our focus on initiatives that grow our community's tax base and help businesses thrive. The health of Victoria's economy is fundamental to the success of all other initiatives within the city.

Economic Development Strategy

The City continued working with a panel of local business professionals and community leaders in 2011 to finalize an Economic Development Strategy to retain and attract economic growth to the Capital City. The strategy was the result of a collaborative effort between business stakeholders, the public, and the City of Victoria, and was endorsed by Council in October of 2011.

The strategy includes a vision for Victoria's economy, focused on 11 key initiatives. These initiatives include:

- maintain the City's role as the headquarters of the Provincial government
- strengthen the tourism sector
- maintain and enhance Downtown Victoria's role as the hub of the region
- continue to grow the high tech sector
- maintain and expand the maritime sector
- create attractive business conditions
- carve out a unique niche as a green community
- encourage quality and compact development
- high priority improvements to regional transportation infrastructure
- celebrate the city as a vibrant urban centre with a proud history
- strengthen the local economic base

The City actively participates and provides funding to the regional Greater Victoria Development Agency (GVDA) and we will be working closely with the GVDA in the implementation of this strategy specific to the City of Victoria.

Downtown Core Area Plan

Council approved the Downtown Core Area Plan in 2011, following two years of consultation with Victoria residents and industry. The Downtown Core Area Plan will guide development in the downtown area over the next 30 years, helping to ensure that downtown remains the heart of the region. The plan lays out a vision to encourage and foster the development of an attractive, vibrant, pedestrian-friendly and economically resilient downtown area. Council and staff will look to the 30 year plan as a guide for growth and development for the years ahead.

Protocol

The City's global relations assist local business organizations interested in making contacts and potential partnerships for two-way business opportunities and also help to develop long-term relationship building for investment attraction and talent recruitment. The purpose of Twin City and Friendship City relationships is to foster and promote global cooperation, cultural understanding and economic development.

In 2011 the City hosted several delegations from Twin and Friendship Cities, which help to promote Greater Victoria's tourism, higher education and technology sectors. In addition, Mayor Fortin participated in a Friendship City Agreement signing ceremony with the Mayor of Changsha, China in City Hall.

What we said we would do:	What we achieved:
Create a welcoming environment for new businesses to locate and for existing businesses to grow and expand	<ul style="list-style-type: none">• Launched new pilot project for digital plan submission for building permits• 1,670 new business licences issued, compared to 1,785 in 2010• 9,317 business licences renewed, compared to 9,363 in 2010• 111,467 delegates days related to attending conferences in Victoria, compared to 75,122 in 2010• 125 sign permit applications• 1,065 plumbing permit applications• 1,936 electrical permit applications• 4 new sidewalk café permits applications and 100 renewals
Grow tax base while staying competitive	<ul style="list-style-type: none">• Council endorsed the new Economic Development Strategy
Enhance the vibrancy, economy and safety of downtown Victoria	<ul style="list-style-type: none">• Economic impact of conference spending generated by the Victoria Conference Centre in 2011 was approximately \$50 million, compared to \$34 million in 2010• Council endorsed the Downtown Core Area Plan• Installed a new 24 hour public washroom on Langley Street, dubbed the “Langley Street Loo”
Promote Victoria as a capable and unique destination for arts, culture, entertainment and sporting events	<ul style="list-style-type: none">• Economic impact of City-sponsored arts, culture, entertainment and sporting events: \$5.2 million in direct spending• Signed Option Agreement with RG Properties for the extension of the Operating Agreement for the Save-on-Foods Memorial Centre
Build on Victoria’s existing strengths in high technology and tourism	<ul style="list-style-type: none">• Sponsored the “Education Champion Award” at the VIATeC Technology Awards ceremony
Leverage Victoria’s status as the seat of the Provincial government	<ul style="list-style-type: none">• Signed Contribution Agreement with the Federal government for new Johnson Street Bridge





Respecting Our Environment

One of Victoria's greatest assets is our environment. We are taking important steps to reduce our community's greenhouse gas emissions by 33% by 2020, and are working to make our own operations carbon neutral by 2012. We continue to proudly wear the badge of being the Cycling Capital of Canada.

Green Help for Homeowners

In 2011 the City partnered with the Capital Regional District, other municipalities, BC Hydro, the Victoria Real Estate Board and the Province to launch a time-of-sale Home Energy Labelling pilot project. This project will provide participating homes with a free, third party home energy assessment with an accompanying EnerGuide For Houses rating.

We promoted BC Hydro's Energy Saving Kits in coordination with the Crystal Pool's LIFE (Leisure Involvement for Everyone) program to provide home energy savings kits and information for low income households.

Green City Operations

At the City of Victoria, we are taking a leadership role in reducing energy use and greenhouse gas emissions, and are committed to a triple bottom line approach when managing all our programs and buildings by integrating social and environmental values with prudent fiscal management.

In 2011 the City made significant strides in the development and implementation of the Climate Action Program, making progress on identifying local climate change impacts in partnership with a team of community experts, and completing a corporate energy and greenhouse gas inventory.

The City of Victoria installed real-time energy monitoring technology in four of the City's five most energy intensive buildings (City Hall, Public Works, VicPD headquarters and Crystal Pool). An energy study for the Victoria Conference Centre, the other facility rounding out the City's top five, will be conducted in 2012. The VCC completed a full sustainability audit for the Canadian Standards Association conference in 2011.

An internal Climate and Energy Committee completed an Energy Management Assessment of the City, identifying five critical areas for improvements and recommended actions.

Sustainable Growth and Transportation

City Council approved a Green Building Policy for Private Development in 2011, complementing the Green Building Policy for Public (Civic) Buildings that was already in place. This new policy provides developers with guidelines to encourage and mandate sustainable building practices in private developments around the city.

A Bicycle Parking Strategy was finalized in 2011 to ensure the provision of appropriately designed bicycle parking facilities in the city. In addition, 0.3 kilometres of new bike lanes were created.

The City participated in PARK(ing) Day for the second year in a row, a worldwide event encouraging citizens to create temporary parks and open spaces out of parking spots. PARK(ing) Day challenges residents to rethink how we use space in the urban core and encourages sustainable transportation choices.

Other Initiatives

The City once again participated in Earth Hour for 2011, a global initiative organized by the World Wildlife Fund to demonstrate what is possible when individuals take action on global warming. Staff turned off, or down, as many lights in municipal buildings as safely possible. Crystal Pool turned off their lights and fans, and all lights except for safety lights at the Beacon Hill Park and Public Works yards were turned off for this hour.

2011 saw the addition or restoration of natural areas in Beacon Hill Park, Cecilia Ravine and Arbutus Park, totalling 3.6 hectares.

Respecting Our Environment, CONTINUED

What we said we would do:	What we achieved:
Protect the biodiversity of Victoria's urban and marine environment	<ul style="list-style-type: none">• 3% of the City's land base is dedicated to natural areas/natural habitat• 7 new naturalized areas were created in 2011, compared to 2 in 2010• 374 trees planted in 2011
Provide infrastructure that supports sustainable transportation, water, sewer, storm water and solid waste management	<ul style="list-style-type: none">• 4,097 total construction permits valued at \$119 million• 75 meters of new greenways• 300 meters of new sidewalks• 0.3 kilometers of new bike lanes• Improved condition index rating for storm drain system and sanitary sewer system from "poor" in 2010 to "fair" in 2011• 43 applications to Board of Variance
Build capacity to reduce fossil fuel consumption and greenhouse gas emissions	<ul style="list-style-type: none">• 22.4 tonnes of cardboard and paper recovered• 29.4 tonnes of plastic and metals recycled from City of Victoria facilities, including Victoria Conference Centre• 1,100 tonnes of garden waste and 480 tonnes of dirt collected• 1,322 tonnes of garbage collected from City operations• 24.8 tonnes of organic waste recycled from City of Victoria facilities• 4,800 tonnes of waste collected from over 14,000 households• 39 million litres of total water consumption per day, compared to over 44 million in 2010





Victoria Fire Department

Founded in 1858, the Victoria Fire Department (VFD) is the oldest department west of Toronto and north of San Francisco and is well-respected for its dedication to the protection of the lives and the property of the citizens of Victoria. The VFD is a dynamic, professional organization where firefighters work as a team, using their highly developed skills and abilities to provide critical, life-saving services in moments of need.

Change of Command

In 2011, the Victoria Fire Department marked a significant occasion with a Change of Command ceremony. The ceremony marked the transfer of leadership from the VFD's 31st Fire Chief Doug Angove, to Jeff Lambert, the 32nd Chief in the department's 153 year history. The symbolic Change of Command ceremony consists of the presentation of the Badge of Office and the passing of the Fire Chief's speaking trumpet.

Fire Prevention and Response

In 2011, the Victoria Fire Department responded to 385 fires, with no lives lost and \$264.3 million in property saved. The Department was able to confine 54 fires to the room of origin.

The department recognized Fire Prevention Week in October and invited residents to participate in the province-wide Community Fire Drill. This 2011 campaign Protect Your Family from Fire!, focused on preventing the leading causes of home fires – cooking, heating and electrical equipment, candles and smoking. The campaign also promotes the proper use, testing and maintenance of household smoke alarms and the importance of having a family escape plan.

The VFD replaced its primary ladder apparatus and Engine 3 in 2011, continuing to ensure that the department has the equipment it requires to meet the needs of the community.

PHOTO LEFT: *Victoria Fire Department Honour Guard at the Change of Command ceremony.*

2011 By the Numbers

- 5,803 calls
- 87% of emergency incidents responded to in six minutes or less
- Average response time: 4 minutes and 18 seconds
- 26 second dispatch average (time it takes to dispatch a call)
- 4,364 properties inspected
- 1,409 properties re-inspected
- 105 fire drills
- 67 fire alarm tests
- 37 lectures
- 66 new construction inspections
- 80 underground oil tank removals

In the Community

Victoria Firefighters wore pink t-shirts for the month of October to raise awareness of the need to find a cure for breast cancer. The awareness campaign "For a Cure" is designed to raise awareness and raise funds to cure breast cancer. Firefighters from across Canada and the USA participated to support the cause.

2011 marked the 10 year anniversary of the 9/11 attacks on the World Trade Centre. The VFD participated in a memorial on the anniversary to remember those who perished in the attacks, including the 343 New York fire fighters and paramedics who lost their lives in the line of duty.

Victoria Emergency Management Agency (VEMA)

The Victoria Emergency Management Agency (VEMA) is the City of Victoria's resource for helping our community prepare for an emergency. Responsible for training City staff and coordinating an emergency response in the event

of a disaster, VEMA also educates and empowers Victoria citizens on how to be "emergency prepared."

VEMA's Prepare Victoria! campaign won a first place Global Public Awareness Award at the International Association of Emergency Managers 2011 Global Awards Competition. The public awareness campaign engages Victoria citizens, asking and informing them what it will take to be prepared for an emergency such as a power outage, snow storm, or earthquake. The campaign features a unique series of "Recipe for Disaster" cards on how to protect your family, business or pets in the event of a disaster.

In 2011, the Victoria Emergency Management Agency:

- Delivered 71 Emergency Preparedness talks with a total of 3,398 in attendance, up from 59 talks and 1,178 attendees in 2010
- Supported 95 City of Victoria staff in their Emergency Operations Centre roles
- Responded to 9 evacuee assistance incidents, directly helping 136 people in a time of need
- Participated in the second Great British Columbia ShakeOut, the largest earthquake drill in Canadian history
- Increased the capacity and capability of the Evacuee Assistance volunteer team, and the Urban Search and Rescue team as it strives to reach a "medium" USAR capability
- Hosted a one day emergency management conference, which was attended by over 350 people from across the region, with speakers sharing learning from disasters around the world



VICTORIA
POLICE

POLICE



VICTORIA

POLICE

V6572

Victoria Police Department

From its beginnings in 1858, the Victoria Police Department (VicPD) has consistently provided first-class policing to the Victoria region and is now a recognized leader in the field of law enforcement. Its 243 police officers, 106 civilian support staff, and 100 volunteers are committed to serving the communities of Victoria and Esquimalt with professionalism, dedication, and open communication. VicPD has received national recognition for its application of public affairs and social media initiatives designed to enhance public safety.

“Honour Through Service”

In 2011, VicPD realized tremendous success in the fight against crime. Crime is down in almost all areas from the past year, with violent crimes falling by 16% and property crime plummeting 18%. The department continued to build relationships in the community to respond effectively to crime related to homelessness, drug addiction and mental illness. The Victoria Integrated Court, established through the collaborative efforts of the justice system and police, made significant progress in dealing with specific offenders. Similarly, the Victoria Integrated Community Outreach Team continued to provide support to those in need. These are just two examples of the leadership and innovation demonstrated by VicPD to provide compassionate support for the less fortunate and to reduce the rate of prolific criminal activity.

Strategic Plan 2020

VicPD undertook a strategic planning process in 2011 that pushed the limits of innovation for a police agency. Appreciating that public confidence is vital to everything that it does as a police department, VicPD designed its strategic planning process to be as inclusive and innovative as possible. It welcomed business leaders, elected officials, and members of the public to take part to share their vision of where VicPD should be headed as an organization. This effort resulted in Strategic Plan 2020, which outlines VicPD’s vision of making this the safest region in Canada through five “bold steps”:

- Enhancing Operational Effectiveness
- Developing the Best
- Improving Communication
- Regionalizing Public Safety
- Building Capacity through Relationships

Strategic Plan 2020 was launched with an award-winning website and online video, which is believed to be the first of its kind amongst Canadian police agencies.

Social Media Growth

VicPD continued to be a leader among police agencies in how it engages the community through social media. In 2011, the number of @vicpdcanada Twitter followers more than doubled to almost 4,000 by year’s end. VicPD used Twitter messages on Canada Day to respond to complaints and gauge feedback from the public. Social media also played an investigative role, as VicPD solicited tips and information online. YouTube, Twitter and Facebook are used regularly to seek and share information with the public.

VicPD looks forward to building and maintaining effective partnerships in 2012 as it strives to enhance public safety in the communities it serves.



CONSOLIDATED FINANCIAL STATEMENTS OF

The Corporation
of the City of Victoria

Year Ended December 31, 2011

Management's Responsibility for the Consolidated Financial Statements

The accompanying financial statements of The Corporation of the City of Victoria (the "City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of The 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 judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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



Chief Administrative Officer



Director of Finance

Canadian Award for Financial Reporting

Presented to

City of Victoria
British Columbia

For its Annual
Financial Report
for the Year Ended

December 31, 2010

A Canadian Award for Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units whose annual financial reports achieve the highest program standards for Canadian Government accounting and financial reporting.



Linda C. Davidson
President

Jeffrey L. Esser
Executive Director

Independent Auditors' Report

To the Mayor and Councillors of The Corporation of the City of Victoria

We have audited the accompanying financial statements of The Corporation of the City of Victoria, which comprise the statement of financial position as at December 31, 2011, the statements 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 City of Victoria as at December 31, 2011, 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

April 19, 2012
Victoria, Canada

KPMG LLP

Chartered Accountants

St. Andrew's Square II Telephone 250.480.3500
800-730 View Street Fax 250.480.3539
Victoria, BC V8W 3Y7 www.kpmg.ca

Statement of Financial Position

December 31, 2011, with comparative information for 2010

	2011	2010
Financial assets:		
Cash and cash equivalents (NOTE 2)	\$ 54,847,210	\$ 33,827,180
Accounts receivable:		
Property taxes	3,817,805	3,423,099
Other (NOTE 3)	20,718,411	19,196,582
Investments (NOTE 4)	69,154,822	71,923,324
Other assets	66,388	14,326
Restricted cash (NOTE 16)	878,989	748,498
	149,483,625	129,133,009
Financial liabilities:		
Accounts payable and accrued liabilities (NOTE 5)	17,416,757	17,451,319
Deposits and prepayments	6,082,506	5,896,485
Deferred revenue (NOTE 6)	10,506,237	9,914,965
Long-term debt (NOTE 7)	57,143,897	50,904,576
Obligations under capital lease (NOTE 8)	708,328	–
Employee future benefit obligations (NOTE 9)	12,297,354	11,831,522
	104,155,079	95,998,867
Net financial assets	45,328,546	33,134,142
Non financial assets:		
Tangible capital assets (NOTE 10)	320,201,958	304,568,721
Inventory of supplies	797,481	814,082
Prepaid expenses and deposits	527,613	519,605
	321,527,052	305,902,408
Accumulated surplus (NOTE 11)	\$ 366,855,598	\$ 339,036,550

Commitments (NOTE 15)

Contingent liabilities (NOTE 16)

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

On behalf of the City:



Director of Finance

Statement of Operations and Accumulated Surplus

Year ended December 31, 2011, with comparative information for 2010

	Budget	2011	2010
	(UNAUDITED NOTE 17)		
Revenue:			
Net taxes available for municipal purposes (NOTE 12)	\$ 109,681,310	\$ 109,857,885	\$ 104,198,999
Net grants in lieu of taxes available for municipal purposes	5,086,300	5,577,856	5,454,570
Sale of goods and services	37,390,263	37,462,087	35,797,503
Sale of water	16,328,915	16,046,630	14,173,874
Licences and permits	4,031,500	3,890,101	4,689,523
Fines	5,080,000	5,084,736	5,127,382
Rentals and leases	900,000	1,119,745	1,103,235
Other penalties and interest	1,978,000	3,124,088	3,943,060
Unconditional government transfers (NOTE 13)	2,670,000	3,373,554	1,292,714
Conditional government transfers (NOTE 13)	4,486,999	4,457,160	5,144,655
Actuarial adjustment on debt	–	501,657	1,277,164
Miscellaneous	4,816,468	5,244,013	5,994,365
Total revenue	192,449,755	195,739,512	188,197,044
Expenses:			
General government	32,430,324	40,539,798	36,606,290
Protective services	59,479,401	59,011,957	58,731,825
Transportation services	16,101,843	18,775,091	18,819,799
Environmental and public health services	5,946,532	6,239,483	6,267,852
Community planning	3,276,259	3,069,777	2,889,603
Parks recreation and community development	22,432,593	24,386,249	23,092,957
Water utility	12,287,456	12,918,020	12,736,318
Sewer utility	2,241,269	2,980,089	2,968,721
Total expenses	154,195,677	167,920,464	162,113,365
Annual surplus	38,254,078	27,819,048	26,083,679
Accumulated surplus, beginning of year	339,036,550	339,036,550	312,952,871
Accumulated surplus, end of year	\$ 377,290,628	\$ 366,855,598	\$ 339,036,550

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

Statement of Change in Net Financial Assets

Year ended December 31, 2011, with comparative information for 2010

	Budget	2011	2010
	(UNAUDITED NOTE 17)		
Annual surplus	\$ 38,254,078	\$ 27,819,048	\$ 26,083,679
Acquisition of tangible capital assets	(56,540,801)	(24,043,369)	(32,174,989)
Amortization of tangible capital assets	–	8,010,786	7,010,567
Loss (gain) on disposal of tangible capital assets	–	356,661	(321,254)
Proceeds on disposal of tangible capital assets	–	42,685	400,108
	(56,540,801)	(15,633,237)	(25,085,568)
Consumption of inventory of supplies	–	16,601	43,075
Consumption (purchase) of prepaid expenses	–	(8,008)	905,292
	–	8,593	948,367
Change in net financial assets	(18,286,723)	12,194,404	1,946,478
Net financial assets, beginning of year	33,134,142	33,134,142	31,187,664
Net financial assets, end of year	\$ 14,847,419	\$ 45,328,546	\$ 33,134,142

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

Statement of Cash Flows

Year ended December 31, 2011, with comparative information for 2010

	2011	2010
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 27,819,048	\$ 26,083,679
Items not involving cash:		
Amortization of tangible capital assets	8,010,786	7,010,567
Loss (gain) on disposal of tangible capital assets	356,661	(321,254)
Change in employee benefits and other liabilities	465,832	75,501
Actuarial adjustment on debt	(501,657)	(1,277,164)
Change in non cash operating assets and liabilities:		
Accounts receivable other	(1,521,829)	531,151
Property taxes receivable	(394,706)	(678,376)
Other financial assets	(52,062)	517,214
Accounts payable and accrued liabilities	(34,562)	(1,974,359)
Deposits and prepayments	186,021	(88,757)
Deferred revenue	591,272	(126,392)
Inventory of supplies	16,601	43,075
Prepaid expenses and deposits	(8,008)	905,292
	34,933,397	30,700,177
Capital activities:		
Cash used to acquire tangible capital assets	(23,323,809)	(32,174,989)
Proceeds on disposal of tangible capital assets	42,685	400,108
	(23,281,124)	(31,774,881)
Investing activities:		
Decrease (increase) in investments	2,768,502	(6,724,185)
Financing activities:		
Debt issued	10,200,000	5,242,524
Debt repaid	(3,459,022)	(2,447,228)
Change in restricted cash	(130,491)	363,134
Capital lease repaid	(11,232)	—
	6,599,255	3,158,430
Increase (decrease) in cash and cash equivalents	21,020,030	(4,640,459)
Cash and cash equivalents, beginning of year	33,827,180	38,467,639
Cash and cash equivalents, end of year	\$ 54,847,210	\$ 33,827,180
Supplemental cash flow information:		
Assets acquired under capital lease	\$ 719,560	\$ —

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

Notes to Financial Statements

Year ended December 31, 2011

The Corporation of the City of Victoria (the "City") is incorporated and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

The City provides municipal services such as police, fire, public works, engineering, planning, parks, recreation, community development, conference facilities and other general government operations.

1. Significant accounting policies:

The financial statements of the City 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 City 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 City's activities and funds. Inter departmental balances and organizational transactions have been eliminated.

(i) Consolidated entities

The City does not control any significant external entities and accordingly no entities have been consolidated with the financial statements.

(ii) Funds held in trust

The financial statements exclude trust assets that are administered for the benefit of external parties (NOTE 14).

(b) Basis of accounting:

The City 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 expenses 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 expenses are incurred, services performed, or the tangible capital assets are acquired.

(e) Deposits and prepayments:

Receipts restricted by third parties are deferred and reported as deposits and are refundable under certain circumstances. Deposits and prepayments are recognized as revenue when qualifying expenditures are incurred.

(f) Investment income:

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

(g) Cash and cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition. Cash equivalents also include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(h) Long-term debt:

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

Notes to Financial Statements

Year ended December 31, 2011

(i) Employee future benefits:

- (i) The City 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 City'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.

(j) Non-financial capital 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
Buildings	20 – 50
Furniture, equipment, technology and motor vehicles	5 – 25
Roads, bridges and highways	10 – 80
Water infrastructure	35 – 100
Sewer infrastructure	50 – 100
Drainage infrastructure	50 – 100

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City'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.

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) Natural resources

Natural resources are not recognized as assets in the financial statements.

(iv) 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.

(v) Interest capitalization

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

(vi) 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.

(vii) Inventories of supplies

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

Notes to Financial Statements

Year ended December 31, 2011

1. Significant accounting policies (CONTINUED):

(k) Use of estimates:

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

(l) Foreign currency:

Monetary items denominated in U.S. dollars are converted to Canadian dollars for financial statement purposes at exchange rates in effect at the reporting date. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Gains and losses on foreign currency translations are included as revenue (expenses).

2. Cash and cash equivalents:

	2011	2010
Bank overdraft	\$ (169,118)	\$ (148,939)
MFA Money Market Funds	55,016,328	33,976,119
	\$ 54,847,210	\$ 33,827,180

3. Accounts receivable:

Other accounts receivable are reported net of a valuation allowance of \$634,492 (2010 – \$1,154,782).

4. Investments:

Investments consist of government bonds and government guaranteed investments and have costs that approximate market values. They have stated interest rates of 1.29% – 4.51% and various maturity dates to June 3, 2018.

5. Accounts payable and accrued liabilities:

	2011	2010
Trade accounts payable	\$ 10,851,690	\$ 10,405,988
Payroll accounts payable	3,383,476	3,937,280
Contract holdbacks	462,577	587,015
School authorities	864,354	908,682
Capital Regional District	359,746	460,797
Legal settlements	1,123,104	800,000
Integrated recreation	109,400	107,907
BC Transit	138,380	113,697
Regional Hospital District	98,443	102,583
BC Assessment Authority	25,587	27,370
	\$ 17,416,757	\$ 17,451,319

Notes to Financial Statements

Year ended December 31, 2011

6. Deferred revenue:

Deferred revenue includes the following:

	2011	2010
Miscellaneous	\$ 746,407	\$ 879,347
Building permit fees	700,942	838,666
Federal Gas Tax funds	3,631,126	2,896,008
Conference Centre prepayments	117,591	127,365
Development cost charges	4,245,766	3,851,614
RG Properties leasing and naming rights	983,268	1,222,655
Unearned recreation fees	81,137	99,310
Total deferred revenue	\$ 10,506,237	\$ 9,914,965

Schedule of Receipts and Disbursements of Gas Tax Agreement Funds

	2011	2010
Opening balance of unspent funds	\$ 2,896,008	\$ 2,017,789
Add:		
Amounts received during the year	2,147,741	2,147,986
Interest income restricted for projects	36,715	12,107
	2,184,456	2,160,093
Less amount spent on projects and recorded as revenue	(1,449,338)	(1,281,874)
	\$ 3,631,126	\$ 2,896,008

Schedule of Development Cost Charges

	2011	2010
Opening balance of unspent funds	\$ 3,851,614	\$ 2,859,180
Add:		
Development cost charges received during year	395,322	975,280
Interest earned	48,830	17,154
	444,152	992,434
Less amount spent on projects and recorded as revenue	(50,000)	–
	\$ 4,245,766	\$ 3,851,614

Development Cost Charges include the following:

	2011	2010
Water and environment	\$ 879,561	\$ 982,692
Streets	68,051	116,572
Transportation	1,563,735	1,408,776
Water	132,669	74,029
Drainage	83,954	478,636
Sewage	560,846	621,199
Parkland acquisition	738,845	169,710
Parkland development	218,105	–
	\$ 4,245,766	\$ 3,851,614

There were no waivers and/or reductions in development cost charges during 2011 or 2010.

Notes to Financial Statements

Year ended December 31, 2011

7. Long-term debt:

The City issues debt instruments through the MFA, pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures. Sinking fund balances, managed by the MFA, are used to reduce long-term debt.

Interest rates on long term debt range from 3.89% to 5.89%. The weighted average interest rate for 2011 was 4.26% (2010 – 4.64%).

(a) Gross amount of debt and the amount of the sinking fund assets available to retire the debt are as follows:

	Gross debt	Sinking Fund assets	Net debt 2011	Net debt 2010
General Capital Fund	\$ 69,528,844	\$ 12,396,864	\$ 57,131,980	\$ 50,879,143
Sewer Utility Capital Fund	440,000	428,083	11,917	25,433
	\$ 69,968,844	\$ 12,824,947	\$ 57,143,897	\$ 50,904,576

(b) Current period and future aggregate payments of net outstanding debenture debt, including sinking fund payments, over the next five years are as follows:

	General Capital Fund	Sewer Utility Capital Fund	Total
2012	\$ 2,161,674	\$ 6,571	\$ 2,168,245
2013	2,032,732	–	2,032,732
2014	2,046,734	–	2,046,734
2015	2,061,280	–	2,061,280
2016	2,076,392	–	2,076,392

Scheduled debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$3,459,022 (2010 – \$2,447,228). Interest paid during the year was \$3,091,010 (2010 – \$4,387,193).

8. Obligations under capital lease:

The City has financed a fire truck by entering into capital leasing arrangements with the MFA. The City will acquire ownership of the equipment at the end of the lease term. Repayments are due as shown:

2012	\$ 151,347
2013	151,347
2014	151,347
2015	151,347
2016 and thereafter	138,974
	744,362
Less amount representing interest (at a rate of 2%)	36,034
Present value of net minimum capital lease payments	\$ 708,328

Notes to Financial Statements

Year ended December 31, 2011

9. Employee future benefit obligations:

The City provides sick leave and certain benefits to its employees. These amounts will require funding in future periods and are recorded as follows:

	Fire and other 2011	Police 2011	Total 2011	Total 2010
Employee benefit obligations:				
Vested benefits	\$ 2,573,352	\$ 4,958,785	\$ 7,532,137	\$ 7,341,139
Non-vested benefits	3,559,454	1,205,763	4,765,217	4,490,383
Accrued employee benefit obligation	6,132,806	6,164,548	12,297,354	11,831,522
Less funded amount	(4,110,958)	(4,070,375)	(8,181,333)	(6,459,956)
Unfunded employee benefit obligation	\$ 2,021,848	\$ 2,094,173	\$ 4,116,021	\$ 5,371,566

Vested benefits represent the actuarially determined value of the City's liability for future employee benefits which the City is contractually obligated to pay upon retirement to an employee, independent of his or her future employment. These benefits include sick leave and vacation in year of retirement for Police and Firefighters, deferred vacation for Police, and lump sum retirement payments.

Non-vested benefits represent the actuarially determined value of the City's liability for future employee benefits which the City is not contractually obligated to pay upon retirement to an employee, but is instead conditional on future employment. These benefits include sick leave, long service leave, personal leave program and benefit continuation while disabled.

Information about the City's benefit plans is as follows:

	2011	2010
Accrued benefit obligation:		
Balance, beginning of year	\$ 11,831,522	\$ 11,756,021
Service cost	842,700	887,500
Interest cost	541,800	564,800
Benefits payments	(1,292,800)	(1,261,100)
Past service cost	323,300	–
Actuarial gain (loss)	40,295	(186,405)
Pension over contributions	10,537	70,706
Accrued benefit liability, end of year	\$ 12,297,354	\$ 11,831,522

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

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

	2011	2010
Discount rates	3.50%	4.50%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58% to 4.63%	2.58% to 4.63%

The difference between the actuarially determined accrued benefit obligation as at December 31, 2011 of \$13,832,600 and the accrued benefit liability of \$12,297,354 is pension over-contributions of \$228,919 and an unamortized actuarial loss of \$1,764,165 at December 31, 2011. The actuarial loss is being amortized over a period equal to the employee's average remaining service lifetime of 11 years.

Notes to Financial Statements

Year ended December 31, 2011

9. Employee future benefit obligations (CONTINUED):

Other pension plans

The City and its employees contribute to the Municipal Pension Plan (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. Basic pension benefits provided are defined. The plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1.024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The City of Victoria paid \$8,658,147 (2010 – \$8,196,088) for employer contributions and City of Victoria employees paid \$6,635,444 (2010 – \$6,091,332) for employee contributions to the plan in fiscal 2011.

GVLRA – CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. Employers and employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2011. At December 31, 2011, the total plan provision for approved and unreported claims was \$17,077,500 with a net deficit of \$5,359,196. The actuary does not attribute portions of the unfunded liability to individual employers. The City paid \$240,250 (2010 – \$240,530) for employer contributions and City employees paid \$240,250 (2010 – \$240,530) for employee contributions to the plan in 2011.

Notes to Financial Statements

Year ended December 31, 2011

10. Tangible capital assets:

	Land and land improvements	Buildings	Furniture, equipment, technology and motor vehicles	Roads, bridges and highways	Water infrastructure	Sewer infrastructure	Drainage infrastructure	Assets under construction	Total 2011	Total 2010
Cost:										
Balance, beginning of year	\$ 132,388,854	\$ 82,669,548	\$ 40,577,558	\$ 78,927,044	\$ 34,877,025	\$ 11,438,896	\$ 9,578,737	\$ 21,245,150	\$ 411,702,812	\$ 380,162,616
Additions	1,712,133	265,771	6,636,114	3,141,152	13,582,383	3,663,309	1,656,101	8,118,146	38,775,109	36,060,773
Disposals	-	-	(408,040)	(1,343,735)	-	-	-	(14,731,740)	(16,483,515)	(4,520,577)
Balance, end of year	134,100,987	82,935,319	46,805,632	80,724,461	48,459,408	15,102,205	11,234,838	14,631,556	433,994,406	411,702,812
Accumulated amortization:										
Balance, beginning of year	19,678	29,724,785	24,668,711	39,400,420	6,345,397	4,684,402	2,290,698	-	107,134,091	100,679,463
Disposals	-	-	(379,920)	(972,509)	-	-	-	-	(1,352,429)	(555,939)
Amortization	26,497	1,870,717	3,453,014	1,966,840	449,820	140,129	103,769	-	8,010,786	7,010,567
Balance, end of year	46,175	31,595,502	27,741,805	40,394,751	6,795,217	4,824,531	2,394,467	-	113,792,448	107,134,091
Net book value, end of year	\$ 134,054,812	\$ 51,339,817	\$ 19,063,827	\$ 40,329,710	\$ 41,664,191	\$ 10,277,674	\$ 8,840,371	\$ 14,631,556	\$ 320,201,958	\$ 304,568,721

Notes to Financial Statements

Year ended December 31, 2011

10. Tangible capital assets (CONTINUED):

(a) Assets under construction

Assets under construction totaling \$14,631,556 (2010 – \$21,245,150) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

There were no contributed assets recognized during 2011 or 2010.

(c) Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset has been recognized at a nominal value.

(d) Works of art and historical treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City 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

No write down of tangible capital assets occurred during 2011 or 2010.

11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserve funds as follows:

	2011	2010
Surplus:		
Equity in tangible capital assets	\$ 262,349,733	\$ 253,664,145
Operating Fund	1,815,856	4,316,479
Unfunded employee benefit obligations	(4,116,021)	(5,371,566)
Total surplus	260,049,568	252,609,058
Reserves:		
Financial Stability Reserves	2,329,060	727,546
Equipment and Infrastructure Replacement Fund	57,010,110	44,813,477
Economic Development	716,423	707,454
Debt Reduction	11,524,811	7,494,270
Self Insurance	3,641,760	4,534,275
Working Capital Fund	3,742,924	3,696,065
Tax Sale Lands Fund	9,953,974	10,104,018
Parks and Greenways Acquisition Fund	2,134,761	2,009,287
Local Amenities	99,540	98,294
Affordable Housing	2,870,460	3,003,546
Fringe Benefit Rate Stabilization	–	787,982
Climate Action	263,421	187,411
Water Utility	787,482	335,929
Sewer Utility	10,442,880	7,179,440
Tree conservation	285,435	–
Art in public places	124,000	–
Total reserves	105,927,041	85,678,994
Restricted cash:		
MFA Debt reserve fund	878,989	748,498
	\$ 366,855,598	\$ 339,036,550

Notes to Financial Statements

Year ended December 31, 2011

12. Taxation:

Taxation revenue, reported on the statement of operations, is comprised of the following:

	2011	2010
General taxation:		
Property and business taxes	\$ 183,287,368	\$ 176,835,282
Utility 1% tax	1,321,146	1,275,775
Special assessments:		
Boulevard frontage	577,900	586,832
Local improvement	1,071	1,071
Specified area improvement	129,053	129,053
Sewer frontage	669,736	643,082
Hotel tax:		
Tourism Victoria Destination Marketing Commission	1,905,641	1,902,984
Victoria Conference Centre	563,066	556,389
	188,454,981	181,930,468
Less taxes levied for other authorities:		
Capital Regional District	11,839,224	11,691,049
School Authorities	50,249,144	51,055,235
Regional Hospital District	6,728,280	6,698,934
Municipal Finance Authority	4,722	4,589
BC Assessment Authority	1,616,144	1,666,043
BC Transit	7,235,645	5,721,682
Business Improvement Association	923,937	893,937
	78,597,096	77,731,469
	\$ 109,857,885	\$ 104,198,999

13. Government transfers:

The City recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the statement of operations and accumulated surplus are:

	2011	2010
Unconditional transfers from provincial government:		
Traffic fine revenue sharing	\$ 3,373,554	\$ 1,292,714
Conditional transfers:		
Jail	66,896	106,319
Gas Tax	1,449,338	1,281,874
Infrastructure grants:		
General capital	63,500	22,500
Sewer	–	10,000
Water	1,396,193	1,949,807
Johnson Street Bridge	1,357,233	–
Cost sharing:		
General capital	124,000	1,774,155
	4,457,160	5,144,655
Total Revenue	\$ 7,830,714	\$ 6,437,369

Notes to Financial Statements

Year ended December 31, 2011

14. Trust funds:

Trust funds administered by the City have not been included in the statement of financial position nor have their operations been included in the statement of operations and accumulated surplus.

	2011	2010
Ross Bay Cemetery	\$ 819,836	\$ 797,169
Nature Interpretation Centre	575,475	568,271
Bastion Square Revitalization	220,599	217,837
	\$ 1,615,910	\$ 1,583,277

The Ross Bay Cemetery Trust is a fund for the non commercial Ross Bay Cemetery and is used for perpetual maintenance. The Nature Interpretation Centre is a trust for the construction of a nature interpretation center in Beacon Hill Park. The Bastion Square Revitalization Trust is a trust received from the Bastion Square Association Society for the sole purpose of improving Bastion Square.

15. Commitments:

In the normal course of business, the City enters into commitments for both capital and operational expenses. These commitments have been budgeted for within the appropriate annual budget and have been approved by Council.

On November 20, 2010, a referendum was held for which residents authorized the City to borrow on the credit of the City, up to \$49,200,000 through the MFA to undertake and carry out the planning, study, design, and construction of a bridge to replace the Johnson Street Bridge and to decommission the existing Johnson Street Bridge. As at December 31, 2011, the project was in process and no MFA borrowings had taken place in relation to the funds approved under the referendum. The estimated cost for the Johnson Street Bridge is \$92.8 million and completion is expected by March 2016.

On March 23, 2011, the City signed a contribution agreement with the Federal Government agreeing to financial assistance towards the project of \$21 million through the Building Canada Fund. On March 3, 2012, the Federal Government announced an additional commitment of \$16.5 million towards the project through the Federal Gas Tax Fund. Additionally, the City has assumed a \$10,200,000 low interest loan from the CMHC under the Municipal Infrastructure Lending Program for the Johnson Street Bridge replacement project.

16. Contingent liabilities:

The City is a defendant in various lawsuits. The City records an accrual 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. Included in accumulated surplus is an insurance reserve of \$3,641,760 (2010 – \$4,534,275) which is maintained to offset settlements and insurance coverage has been maintained to provide for insurable claims should they exceed the liability deductible of \$1,000,000 in any year. In 2008, the City joined the Municipal Insurance Association and all insurable claims from that date forward are subject to a liability deductible of \$250,000 in any year.

New condominium construction in British Columbia over the last 15 years has resulted in significant construction deficiencies. Liability for these deficiencies is presently being addressed by the courts. The full impact of the courts' decisions and their effect on the City are unknown at this time. The City has received various statements of claim with respect to alleged construction deficiencies. Statements of defense have been made on behalf of the City by the City's solicitors and certain of the claims have been settled or dropped. For a number of the continuing claims, no determination of the City's liability, if any, has been made and no estimate of potential loss can be made or recorded at this time. Any liability will be recorded when a settlement is likely and the amounts are determinable.

Under borrowing arrangements with the Municipal Finance Authority, the City 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 City'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 City. At December 31, 2011 the balance of the restricted cash was \$878,989 (2010 – \$748,498). At December 31, 2011 there were contingent demand notes of \$2,102,143 (2010 – \$1,832,522) which are not included in the financial statements of the City.

Notes to Financial Statements

Year ended December 31, 2011

Capital Regional District debt, under provisions of the Local Government Act, is a direct, joint and several liability of the Capital Regional District and each member municipality within the Capital Regional District, including the City.

The City is reviewing environmental objectives and potential liabilities for its activities and properties including potential site reclamation obligations. The amount of any such obligations is not presently determinable.

The City is a shareholder and member of Capital Regional Emergency Service Telecommunications (CREST) Incorporated, which provides 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.

17. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2011 operating and capital budgets approved by Council on April 14, 2011. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 272,005,449
Capital budget	56,540,801
	328,546,250
Less:	
Transfers from other funds	(58,272,303)
Collections for other Governments	(77,824,192)
Total revenue	192,449,755
Expenses:	
Operating budget	272,005,449
Capital budget	56,540,801
	328,546,250
Less:	
Capital expenses	(56,540,801)
Transfer to other funds	(36,564,279)
Debt principal payments	(3,421,302)
Collections for other Governments	(77,824,192)
Total expenses	154,195,674
Annual surplus	\$ 38,254,078

Notes to Financial Statements

Year ended December 31, 2011

18. Segmented information:

The City of Victoria is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the City's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. City services are provided by departments and their activities reported within these funds. Certain functions 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.

(ii) Protective Services:

Protective Services is comprised of four different functions, including the City's Emergency Management Agency, Fire, Police and Regulatory and Development Services. The Emergency Management Agency prepares the City 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 Department ensures the safety of the lives and property of Victoria as well as Esquimalt 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 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 Streets. Services provided include infrastructure development and maintenance, traffic control, transportation planning, review of land development impacts on transportation, traffic management, pedestrian and cycling issues, on street parking regulations, including street signs and painting as well as traffic signal timing.

(iv) Environmental and Public Health Services:

The Environmental and Public Health Services is comprised of four sections in the areas of Solid Waste Services, Storm Drains, Street Cleaning and Public Works. The Solid Waste Collection and Recycling Operations Section is responsible for the collection of household garbage. Storm Drains section provides the design, inspection and technical supervision of civil engineering projects related to the construction and maintenance of the storm drain collection systems to protect public health. The Street Cleaning Section is responsible for the collection and disposal of litter and debris from streets, sidewalks and squares. The Public Works department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space, and street lighting.

(v) Community Planning:

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

(vi) Parks, Recreation and Community Development:

Parks 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; preserves and enhances green spaces on public lands. Recreation services facilitates the provision of recreation and wellness programs and services through the City's pool, arena, Royal Athletic Park, Community and Seniors' Centres. Community Development coordinates and leads efforts to enhance our neighbourhoods, foster arts and culture, and work to create a City that is vibrant and people centred. This function also includes the Victoria Conference Centre which is one of the largest conference facilities in BC and plays a significant economic impact on the local economy.

Notes to Financial Statements

Year ended December 31, 2011

(vii) **Water and Sewer Utilities:**

The Sewer Utility protects the environment and human health from the impacts of liquid wastes generated as a result of human occupation and development in the City. The Water Utility delivers clean, safe and aesthetically pleasing potable water, in accordance with the Provincial Drinking Water Protection Act, to the citizens of the City of Victoria and Township of Esquimalt. The water is for the purpose of domestic consumption and fire fighting.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The General Fund reports on municipal services that are funded primarily by taxation such as property taxes and other tax revenues. Taxation and payments in lieu of taxes are apportioned to the General Fund services based on budgeted taxation revenue as presented in the 2009 – 2013 financial plan.

The allocation to other expenses includes the interdepartmental recoveries of asset charges which results in negative expense balances for certain departments.

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

Notes to Financial Statements

Year ended December 31, 2011

18. Segmented information (CONTINUED):

2011	General Government	Protective Services	Transportation Services	Environmental and Public Health Services	Community Planning	Parks Recreation and Community Development	Water Utility	Sewer Utility	2011 Total
Revenue:									
Taxation	\$ 36,586,504	\$ 48,744,222	\$ 6,077,815	\$ 6,144,264	\$ 2,508,083	\$ 14,705,117	\$ –	\$ 669,736	\$ 115,435,741
Goods and services	319,970	7,163,959	10,479,873	2,795,745	140	9,586,948	16,592,400	6,569,682	53,508,717
Government transfers	3,060,967	3,373,554	–	–	–	–	1,396,193	–	7,830,714
Other	7,789,252	2,721,080	5,839,732	141,251	252,201	2,027,961	178,844	14,019	18,964,340
Total revenue	47,756,693	62,002,815	22,397,420	9,081,260	2,760,424	26,320,026	18,167,437	7,253,437	195,739,512
Expenses:									
Salaries and wages	12,972,267	52,391,217	9,968,777	3,878,853	2,788,228	11,492,764	2,039,201	1,355,605	96,886,912
Materials, supplies and services	4,674,082	3,827,468	8,228,414	2,311,508	193,223	8,470,343	9,550,913	517,752	37,773,703
Interest and other	19,070,268	2,155,336	(2,072,509)	(77,818)	88,326	4,240,771	878,086	966,603	25,249,063
Amortization	3,823,181	637,936	2,650,409	126,940	–	182,371	449,820	140,129	8,010,786
Total expenses	40,539,798	59,011,957	18,775,091	6,239,483	3,069,777	24,386,249	12,918,020	2,980,089	167,920,464
Annual surplus (deficit)	\$ 7,216,895	\$ 2,990,858	\$ 3,622,329	\$ 2,841,777	\$ (309,353)	\$ 1,933,777	\$ 5,249,417	\$ 4,273,348	\$ 27,819,048

Notes to Financial Statements

Year ended December 31, 2011

18. Segmented information (CONTINUED):

2010	Parks									2010 Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health Services	Community Planning	Recreation and Community Development	Water Utility	Sewer Utility		
Revenue:										
Taxation	\$ 32,760,119	\$ 47,313,272	\$ 5,995,123	\$ 6,362,589	\$ 2,740,392	\$ 13,838,992	\$ -	\$ 643,082	\$ 109,653,569	
Goods and services	321,162	6,890,758	10,185,872	2,632,006	122	8,982,917	14,856,738	6,101,802	49,971,377	
Government transfers	3,184,848	1,292,714	-	-	-	-	1,949,807	10,000	6,437,369	
Other	8,747,148	981,829	9,230,478	444,001	450,345	1,994,222	177,498	109,208	22,134,729	
Total revenue	45,013,277	56,478,573	25,411,473	9,438,596	3,190,859	24,816,131	16,984,043	6,864,092	188,197,044	
Expenses:										
Salaries and wages	12,003,302	52,985,775	10,289,554	3,861,639	2,662,244	11,327,550	1,971,369	1,363,699	96,465,132	
Materials, supplies and services	5,256,210	4,063,654	8,024,400	2,088,681	140,790	7,887,558	9,623,544	553,075	37,637,912	
Interest and other	16,048,880	1,162,351	(1,948,202)	202,484	86,569	3,741,414	774,649	931,609	20,999,754	
Amortization	3,297,898	520,045	2,454,047	115,048	-	136,435	366,756	120,338	7,010,567	
Total expenses	36,606,290	58,731,825	18,819,799	6,267,852	2,889,603	23,092,957	12,736,318	2,968,721	162,113,365	
Annual surplus (deficit)	\$ 8,406,987	\$ (2,253,252)	\$ 6,591,674	\$ 3,170,744	\$ 301,256	\$ 1,723,174	\$ 4,247,725	\$ 3,895,371	\$ 26,083,679	

19. Comparative information:

Certain 2010 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

STATISTICAL INFORMATION

The Corporation of the City of Victoria

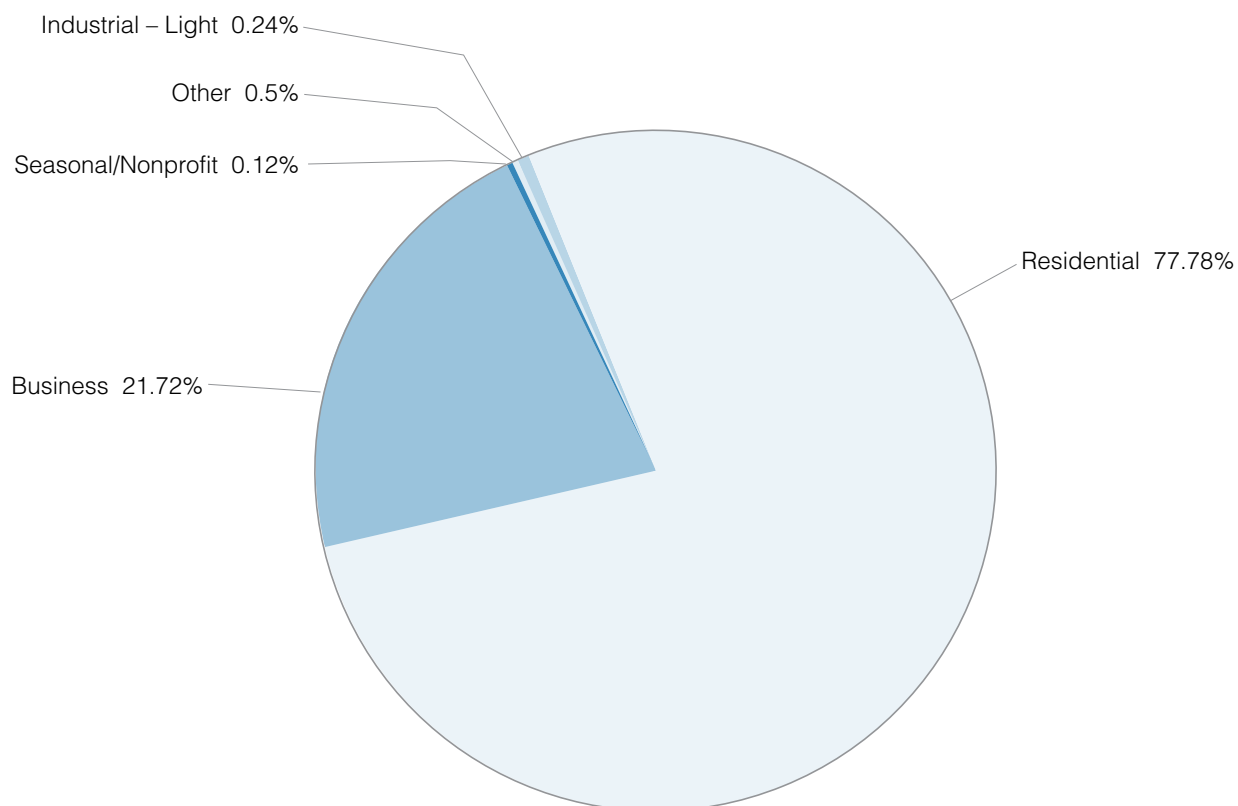
Year Ended December 31, 2011

STATISTICAL INFORMATION

Taxable Assessments of Land and Improvements 2007 – 2011 (IN MILLIONS)

PROPERTY CLASS	2007	2008	2009	2010	2011
Residential	\$ 10,863	\$ 12,269	\$ 12,524	\$ 13,002	\$ 13,651
Utilities	20	19	19	20	20
Industrial – Major	–	4	4	4	4
Industrial – Light	31	33	33	40	41
Business	3,208	3,636	3,645	3,811	3,813
Seasonal/Non-profit	19	21	19	20	21
	\$ 14,141	\$ 15,982	\$ 16,244	\$ 16,898	\$ 17,550

2011 Assessments by Property Class



STATISTICAL INFORMATION

Property Tax Rates 2007–2011

	2007	2008	2009	2010	2011
Municipal (\$ PER 1000 ASSESSMENT)					
Residential	3.5150	3.3428	3.5519	3.6581	3.7731
Utilities	32.4770	30.6915	33.0061	31.4411	33.0729
Supportive Housing	0.0000	0.0000	3.5519	3.6581	3.7731
Industrial – Major	0.0000	15.8396	13.0021	13.1471	13.5454
Industrial – Light	16.7611	15.8396	13.0021	13.1471	13.5454
Business	12.9908	12.2766	13.0021	13.1471	13.5454
Seasonal	9.5011	8.7390	9.6101	9.0819	9.3538
Total – Including School, Region, etc. (\$ PER 1000 ASSESSMENT)					
Residential	6.2885	5.9398	6.1859	6.3060	6.2999
Utilities	53.1079	50.6841	53.0236	50.8938	51.8868
Supportive Housing	0.0000	0.0000	4.3143	4.4263	4.6808
Industrial – Major	0.0000	29.0352	23.4468	23.4345	23.5854
Industrial – Light	28.3957	26.2509	23.1543	23.1281	23.2636
Business	23.9719	22.0409	22.9316	22.8481	22.9902
Recreation Non-Profit	14.9719	13.8540	14.7573	13.8808	13.9174
Municipal Tax Billings by Property Class (IN THOUSANDS)					
Residential	\$ 38,186	\$ 41,012	\$ 44,482	\$ 47,564	\$ 51,506
Utilities	634	578	623	631	678
Industrial – Major	–	69	48	54	56
Industrial – Light	516	519	431	527	561
Business	41,671	44,644	47,394	50,102	51,644
Seasonal	177	181	185	184	197
Total	\$ 81,184	\$ 87,003	\$ 93,164	\$ 99,062	\$ 104,641

New Construction 2007–2011

	2007	2008	2009	2010	2011
Construction Permits	3,381	3,412	3,608	3,917	4,097
Construction Value (\$ Million)	\$ 281	\$ 178	\$ 319	\$ 140	\$ 120
Taxes Generated from New Growth	\$ 2,012,722	\$ 1,376,419	\$ 1,958,701	\$ 1,878,822	\$ 1,659,973

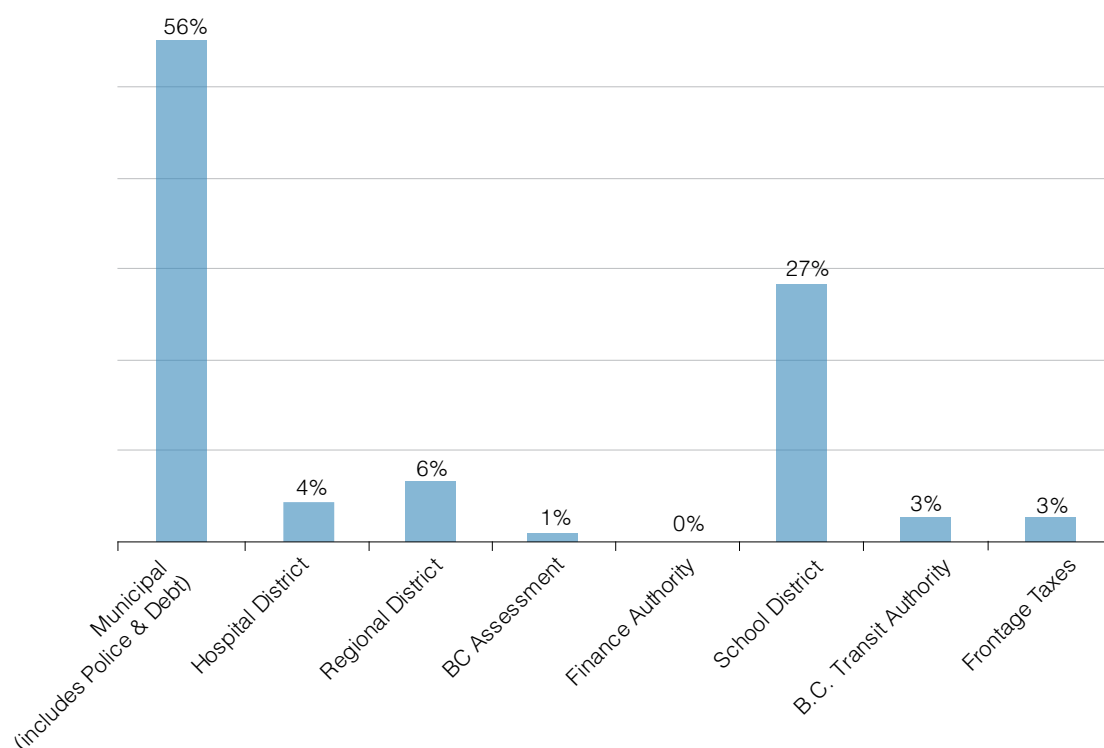
SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

STATISTICAL INFORMATION

Property Tax Levied and Collected 2007–2011 (IN THOUSANDS)

	2007	2008	2009	2010	2011
Municipal (incl Police & Debt)	\$ 81,184	\$ 87,001	\$ 93,164	\$ 99,061	\$ 104,640
Hospital District	3,904	4,459	5,112	5,197	6,699
Regional District	9,907	10,991	11,183	12,171	11,865
BC Assessment	1,490	1,503	1,583	1,615	1,666
Finance Authority	3	3	4	4	5
School District	48,122	48,106	49,782	51,055	51,055
B.C. Transit Authority	4,034	4,412	5,133	5,236	5,722
Frontage Taxes	2,130	2,159	3,416	4,488	5,041
	\$ 150,774	\$ 158,634	\$ 169,379	\$ 178,828	\$ 186,693
Total Current Taxes Levied	\$ 150,774	\$ 158,634	\$ 178,828	\$ 178,828	\$ 186,693
Current Taxes Collected	143,887	151,752	165,443	172,923	178,254
Percentage	95.43%	95.66%	92.52%	96.70%	95.48%
Outstanding at Beginning of Year	\$ 5,701	\$ 5,320	\$ 7,892	\$ 7,226	\$ 6,850
Arrears Collected	5,138	4,311	6,790	6,643	6,293
Percentage	90.12%	81.03%	86.04%	91.93%	91.86%
Total Tax Collections	\$ 149,025	\$ 156,063	\$ 172,233	\$ 179,566	\$ 184,547

2011 Taxes by Jurisdiction



STATISTICAL INFORMATION

2011 Principal Corporate Tax Payers

Registered Owner	Primary Property	Taxes Levied
4239440 CANADA INC	Shopping Centre	\$ 3,866,846
HILLSIDE CENTRE HOLDINGS INC	Shopping Centre	2,810,547
TBC NOMINEE INC	Shopping Centre	2,092,586
JAWL INVESTMENT CORPORATION	Office Building	1,653,504
LEGACY EMPRESS TITLE CORP	Hotel	1,541,751
COLUMBUS REAL ESTATE INC	Office Building	888,502
596961 BC LTD	Retail/Office Building	829,541
SUSSEX PLACE EQUITIES LTD	Retail/Office Building	764,983
CANADIAN IMPERIAL BANK OF COMMERCE/ STANDARD LIFE ASSURANCE COMPANY	Retail/Office Building	764,355
PACIFIC SUN HOTEL INC	Hotel	708,353
GREATER VICTORIA HARBOUR	Waterfront/Retail	650,145
TELUS COMMUNICATIONS INC	Office Building	612,294
655 TYEE PROPERTY LTD	Office Building	591,575
GRAMPIAN HOLDINGS LTD	Retail/Office Building	583,054
VICTORIA DOWNTOWN HOTEL	Hotel	560,199
WESTSIDE VILLAGE SHOPPING	Shopping Centre	508,411
DELTA HOTELS NO 40 HOLDINGS LTD	Hotel	502,452
RUTH SINGER INVESTMENTS LTD	Shopping Centre	459,629
SARATOGA INVESTMENTS LTD	Retail/Office Building	452,392
KANCO JAMES BAY PROPERTIES LTD	Shopping Centre/Retail	442,251
JAWL HOLDINGS LTD	Office Building	423,133
WILSON KOOL LTD	Shopping Centre-Neighborhood	416,156
STANDARD LIFE ASSURANCE	Retail/Office Building	395,213
PAUL'S RESTAURANTS LTD	Hotel	389,602
INVESTORS GROUP TRUST CO LTD	Office Building	385,242
CANADA SAFEWAY LTD	Shopping Centre-Neighborhood	384,376
BC TRANSIT	Bus Depot	377,164
ROYAL TRUST CORP OF CANADA	Stores/Offices	375,933
WOTTRICH HOLDINGS LTD	Stores/Offices	373,241
GILL-AM INVESTMENTS LTD	Office Building	370,135
		\$ 25,173,566

STATISTICAL INFORMATION

Debenture Debt 2007–2011 (IN THOUSANDS)

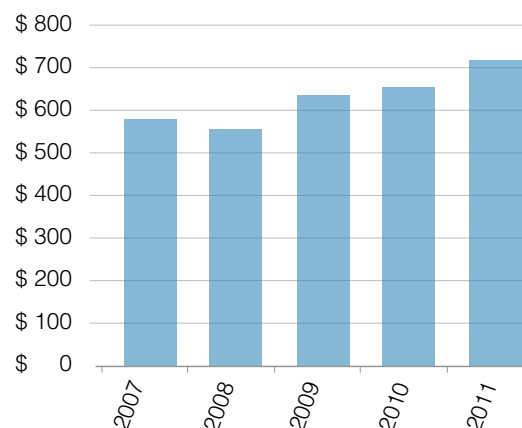
	2007	2008	2009	2010	2011
Gross Outstanding Debt	\$ 88,729	\$ 82,329	\$ 90,769	\$ 81,169	\$ 69,969
Less: Sinking Fund Payments	43,528	38,694	41,382	30,264	12,825
Net Debt	\$ 45,201	\$ 43,635	\$ 49,386	\$ 50,905	\$ 57,144
General	\$ 44,942	\$ 43,457	\$ 49,279	\$ 50,880	\$ 57,132
Sewer	259	178	107	25	12
Net Debt	\$ 45,201	\$ 43,635	\$ 49,386	\$ 50,905	\$ 57,144
Property Tax Supported	\$ 7,373	\$ 6,107	\$ 6,071	\$ 7,024	\$ 6,483
Specified Area & Other	–	–	–	–	–
Sewer Utility	188	135	112	112	15
Total Debt Servicing Costs	\$ 7,561	\$ 6,242	\$ 6,183	\$ 7,136	\$ 6,498
Population	78,057	78,057	78,057	78,057	80,017
Net Debt per Capita	\$ 579	\$ 559	\$ 633	\$ 652	\$ 714
Debt Servicing per Capita	\$ 80	\$ 79	\$ 91	\$ 88	\$ 81
Debt Service as % of Expenses	4.08%	4.29%	4.63%	4.22%	4.01%
# of Households	44,783	44,783	44,783	44,783	47,691
Gross Debt Servicing Limit	\$ 39,637	\$ 41,840	\$ 43,951	\$ 44,696	\$ 46,967
Debt Capacity Available	\$ 33,224	\$ 34,664	\$ 36,117	\$ 37,759	\$ 35,569

Consolidated Statement of Financial Position (IN THOUSANDS)*

Financial Assets	\$ –	\$ 116,796	\$ 127,782	\$ 129,133	\$ 149,484
Financial Liabilities	–	86,275	96,595	95,999	104,155
Net Financial Assets / (Net Debt)	\$ –	\$ 30,521	\$ 31,188	\$ 33,134	\$ 45,329

*Less than five years of data is presented due to the implementation of new Public Sector Accounting Board (PSAB) reporting standards in 2009, with restated comparative figures required only for 2008.

Per Capita Net Debt



STATISTICAL INFORMATION

Labour Force Activity 2007–2011

	2007	2008	2009	2010	2011
Unemployment Rate	3.3%	3.3%	6.4%	6.3%	6.1%
Number of City Employees	1,150	1,190	1,207	1,210	1,169

SOURCE: MUNICIPAL FINANCE AUTHORITY, SOURCE: POPULATION: STATISTICS CANADA, SOURCE: LABOUR FORCE SURVEY: STATISTICS CANADA

Revenue and Expenses 2007–2011 (IN THOUSANDS)

Revenue	2007	2008	2009	2010	2011
Property Taxes	\$ 86,629	\$ 92,393	\$ 98,147	\$ 104,199	\$109,858
Payment In Lieu of Taxes	4,759	4,805	5,066	5,455	5,578
Sales of Services	33,062	35,297	36,326	35,798	37,462
Sale of Water	11,559	12,715	14,592	14,174	16,047
Licences and Permits	5,233	5,216	5,145	4,690	3,890
Fines	4,581	5,206	5,199	5,127	5,085
Rentals and Leases	1,050	979	971	1,103	1,120
Interest and Penalties	3,984	4,489	3,072	3,943	3,124
Unconditional Government Transfers	2,576	2,576	4,058	1,293	3,374
Other	10,914	8,253	7,621	7,272	5,746
Conditional Government Transfers	2,630	3,857	4,329	5,145	4,457
Gain on Sale of Capital Assets	—	—	—	—	—
	\$ 166,979	\$ 175,784	\$ 184,527	\$ 188,197	\$ 195,740

Expenses by Function

General Government	\$ 22,049	\$ 25,178	\$ 28,613	\$ 36,606	\$ 40,540
Protective Services	52,903	54,007	56,736	58,732	59,012
Transportation Services	21,558	17,134	17,724	18,820	18,775
Environmental/Public Health	8,456	6,159	6,122	6,268	6,239
Community Planning	1,830	2,166	2,267	2,890	3,070
Parks Recreation and Cultural	32,049	28,281	28,405	23,093	24,386
Water Utility	10,396	9,488	11,216	12,736	12,918
Sewer Utility	3,641	1,722	2,977	2,969	2,980
	\$ 152,881	\$ 144,135	\$ 154,060	\$ 162,113	\$ 167,920

Expenses by Object

Salaries Wages and Benefits	\$ 84,016	\$ 89,335	\$ 89,259	\$ 96,465	\$ 96,887
Materials Supplies and Services	48,724	32,414	36,810	37,638	37,774
Interest & Other	20,141	17,115	22,207	21,000	25,249
Amortization	—	5,271	5,785	7,011	8,011
	\$ 152,881	\$ 144,135	\$ 154,060	\$ 162,113	\$ 167,920

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

STATISTICAL INFORMATION

Reserve Funds and Statement of Surplus 2007–2011 (IN THOUSANDS)

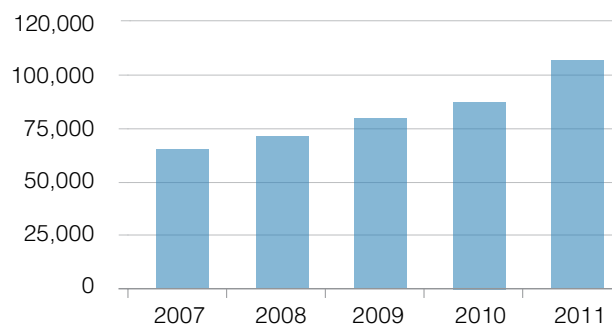
Description	2007	2008	2009	2010	2011
Reserve Funds					
Equipment and Infrastructure	\$ 28,813	\$ 30,140	\$ 34,569	\$ 44,813	\$ 57,010
Economic Development	3,296	695	703	707	716
Financial Stability	208	714	723	728	2,329
Debt Reduction	5,278	7,938	8,694	7,494	11,525
Self Insurance	4,322	4,452	4,507	4,534	3,642
Working Capital	3,523	3,629	3,674	3,696	3,743
Tax Sale Lands	7,907	8,196	8,996	10,104	9,954
Local Amenities	–	–	49	98	100
Parks and Greenways Acquisition	1,462	1,629	1,850	2,009	2,135
Affordable Housing	975	1,656	3,643	3,004	2,870
Fringe Benefit Rate Stabilization	463	577	684	788	–
Climate Action	–	–	–	187	263
Water Utility	6,403	7,211	2,993	336	787
Sewer utility	2,020	3,464	5,772	7,179	10,443
Tree Conservation	–	–	–	–	285
Art in Public Places	–	–	–	–	124
Restricted Cash	–	–	1,112	748	879
	\$ 64,669	\$ 70,299	\$ 77,969	\$ 86,427	\$ 106,806
Statement of Unappropriated Surplus (Deficit)					
General Operating Surplus	\$ 2,341	\$ 4,870	\$ 10,661	\$ 3,392	\$ 1,016
Water Operating Surplus	–	–	–	–	–
Sewer Operating Surplus	–	–	–	–	–
	\$ 2,341	\$ 4,870	\$ 10,661	\$ 3,392	\$1,016
Reserves Plus Unappropriated Surplus	\$ 67,009	\$ 75,169	\$ 88,630	\$ 89,820	\$ 107,822

Consolidated Statement of Operations (IN THOUSANDS)*

Accumulated Surplus, Beginning of Year	\$ –	\$ 250,837	\$ 282,486	\$ 312,953	\$ 339,037
Annual Surplus/(Deficit)	–	31,649	30,466	26,084	27,819
Accumulated Surplus, End of Year	\$ –	\$ 282,486	\$ 312,953	\$ 339,037	\$ 366,856

*Less than five years of data is presented due to the implementation of new Public Sector Accounting Board (PSAB) reporting standards in 2009, with restated comparative figures required only for 2008.

Reserves



STATISTICAL INFORMATION

2007–2011 Capital Expenditures and Funding Sources (IN THOUSANDS)

	2007	2008	2009	2010	2011
Expenditures					
Civic Facilities	\$ 7,731	\$ 10,871	\$ 3,828	\$ 9,281	\$ 4,129
Equipment	4,744	3,249	8,232	5,592	4,285
Streets	4,145	4,793	4,368	3,668	2,721
Transportation and Development	694	934	1,662	2,421	7,156
Civic Services	42	40	44	49	–
Storm Drains	1,699	1,750	2,767	2,013	2,952
Parks	900	1,253	1,291	2,209	3,067
Planning and Development	24	37	138	394	–
Shoreline Protection	9	0	0	15	108
Revitalization	28	36	237	282	–
Downtown Revitalization	149	570	1,722	332	243
Environmental Remediation	534	436	184	142	165
Water Utility	2,106	2,812	8,509	6,746	4,614
Sewer Utility	1,943	1,908	5,293	2,501	1,328
Victoria Conference Centre	174	217	408	41	115
	\$ 24,920	\$ 28,906	\$ 38,681	\$ 35,686	\$ 30,883
Funding Sources					
Capital Tax Levy	\$ 7,985	\$ 9,185	\$ 9,885	\$ 8,609	\$ 9,892
Connection Fees	259	214	242	194	196
Equipment and Infrastructure	5,002	3,840	5,324	6,013	6,583
Tax Sale Land Reserve	485	1,127	1,152	372	1,228
Development Cost Charges	–	–	10	–	50
Economic Development Reserve	–	3,000	–	–	–
Parks and Recreation Facility Reserve	–	–	41	98	–
Parking Reserve	–	–	4,327	1,889	590
Trust Funds	30	103	19	45	–
Grants and Partnerships	2,519	2,582	1,279	2,330	882
Gas Tax	1,595	1,250	3,680	1,282	1,449
Debt	1,626	1,338	739	4,609	2,937
Water Utility	2,106	2,812	8,509	6,746	4,614
Sewer Utility	1,943	1,908	2,150	2,501	1,328
Victoria Conference Centre	174	217	421	56	146
Police Equipment and Infrastructure	1,197	1,329	904	943	988
	\$ 24,920	\$ 28,906	\$ 38,681	\$ 35,686	\$ 30,883

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

STATISTICAL INFORMATION

2011 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
5Th (BC) Field Regiment, RCA	\$	\$ 72	\$	\$ 72
Addiction Boutique		500		500
Anawim Companions Society			3,068	3,068
Anglican Synod of the Diocese of BC			80,641	80,641
Apostolic Trustees of Friars Minor			3,388	3,388
Art Gallery of Greater Victoria	6,000	6,392	62,643	75,035
Attractions Victoria	15,000			15,000
B Wilson Building (Heritage)			12,921	12,921
Ballet Victoria	3,000			3,000
BC Association of Seventh Day Adventists			2,395	2,395
BC Dom Operations Canadian Forces		776		776
BC Governing Council of the Salvation Army in Canada			5,191	5,191
BC Lions Society for Children		259		259
BC Muslim Association			4,087	4,087
BC Produce Building (Heritage)			10,421	10,421
BC Professional Firefighters Association		142		142
BC SPCA			28,188	28,188
Beacon Community Services	150,000		13,288	163,288
Belfry Theatre Society			27,091	27,091
Big Brothers Big Sisters of Victoria	7,500			7,500
Bipolar Disorder Society of British Columbia	10,000			10,000
Bishop of Victoria			13,907	13,907
Black Hat Building (Heritage)			45,716	45,716
Blanshard Community Centre	52,254	214		52,468
Boys' and Girls' Club of Greater Victoria			26,373	26,373
Brainex Canada Ltd		2,077		2,077
British Columbia Healthy Communities – City of Victoria Youth Council	20,000			20,000
Burnside Gorge Community Association	65,059	504		65,563
Canadian Armed Forces – Navy Protocol Office		48		48
Canadian Cancer Society			44,632	44,632
Canadian National Institute for the Blind			31,710	31,710
Canadian Pacific Lawn Bowling Club			26,812	26,812
Canadian Red Cross Society			45,093	45,093
Capital Mental Health Association			26,915	26,915
Capital Region Good Food Society	9,600			9,600
Casa Maria Emergency Housing Society			2,562	2,562
Cenntennial United Church			13,773	13,773
Central Baptist Church			26,007	26,007
CFB Esquimalt		187		187
Chinese Consolidated Benevolent Association		1,482	16,336	17,818
Christian & Missionary Alliance			2,834	2,834
Church of Latter Day Saints		118		118
Clover Point Anglers' Association			2,601	2,601
Community Micro Lending Society	9,200			9,200
Community of Christ Inc			3,042	3,042
Community Social Planning Council	16,590			16,590

STATISTICAL INFORMATION

2011 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
Cook St Village Activity Centre Society (New Horizons)	\$ 36,666	\$	\$	\$ 36,666
Cornerstone Christian Fellowship			2,398	2,398
Craigdarroch Castle Historical Museum Society			88,210	88,210
Cridge Centre for the Family			27,985	27,985
Crisis Intervention & Public Information Society of Greater Victoria	20,103			20,103
Cross' Meats Building (Heritage)			4,564	4,564
CTVI Building (Heritage)			56,349	56,349
Dance Victoria	10,000			10,000
Dart Coon Club Event		214		214
David Lam Centre – SFU	2,500			2,500
Discovery School Society			1,998	1,998
Dockside Green Ltd			54,769	54,769
Downtown Residents' Association	2,310			2,310
Downtown Victoria Business Association		735		735
Earth Walk Committee		697		697
Emanuel of Victoria Vancouver Island			1,281	1,281
Fairfield Community Association	99,851			99,851
Fairfield Gonzales Community Association	8,000			8,000
Fernwood Community Association	3,013		6,205	9,218
Fernwood Neighbourhood Resource Group Society	52,635	281	3,217	56,133
Fire Fighters Burn Fund Victoria			1,853	1,853
First Church of Christ Scientist			10,794	10,794
First Church of the Truth			3,713	3,713
First Open Heart Society of BC Inc			2,324	2,324
Foursquare Gospel Church of Canada			1,693	1,693
Girl Guides of Canada			6,109	6,109
Glad Tidings Pentecostal Church			59,303	59,303
Glenlyon-Norfolk School Society			56,780	56,780
Go Rowing & Paddling Association			20,426	20,426
Good Shepherd Lutheran Church			2,937	2,937
Governing Council Salvation Army			49,564	49,564
Grace Evangelical Lutheran Church			11,075	11,075
Great Canadian Beer Festival Society		233		233
Greater Victoria Bike to Work Society	2,500	73		2,573
Greater Victoria Chamber of Commerce	50,000			50,000
Greater Victoria Citizens Counselling Centre			10,295	10,295
Greater Victoria Coalition to End Homelessness	100,000			100,000
Greater Victoria Festival Society	16,159	13,825		29,984
Greater Victoria Film Commission	45,000			45,000
Greater Victoria Housing Society	250,000			250,000
Greater Victoria Volunteer Society	11,439			11,439
Greater Victoria Women's Shelter Society			7,188	7,188
Gurdwara Singh Sabha			4,817	4,817
Help Fill a Dream Foundation of Canada			750	750
Hotel Rialto Building (Heritage)			32,983	32,983
Hudson Building (Heritage)			169,182	169,182
India Canada Cultural Association	1,000			1,000

Statistical Information

2011 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
InnovativeCommunities.Org Foundation	\$	\$	\$ 6,863	\$ 6,863
Intrepid Theatre Company	27,500			27,500
Island Corridor Foundation			1,185	1,185
Island Equipment Owners Association		6,342		6,342
Island Sexual Health Society	4,000			4,000
James Bay Anglers' Association			691	691
James Bay Community Project	10,000			10,000
James Bay Community School Society	51,769			51,769
James Bay Health and Community			30,231	30,231
James Bay New Horizons	55,902			55,902
Kalghidhar Shromani Society			4,761	4,761
Keystone Victoria Christian Ministries Inc			2,769	2,769
Khalsa Diwan Society of Victoria			8,123	8,123
Kiwanis Club of Victoria			7,795	7,795
Knights of Columbus		738		738
Laren House Society			3,852	3,852
Laughlin, Whitney (Secondary Suites)	5,000			5,000
Leiser Building (Heritage)			68,651	68,651
Lower Island Folkfest Society	5,000	1,000		6,000
Maharishi Age of Enlightenment School Society			4,345	4,345
Maritime Museum	20,000			20,000
Mcpherson Playhouse Foundation			81,191	81,191
Mexican Canadian Community Association of Victoria	1,000			1,000
Morley's Soda Factory Building (Heritage)			10,122	10,122
Multiple Sclerosis Society of Canada			31,832	31,832
Mustard Seed Street Church			4,134	4,134
North Jubilee Neighbourhood Association	2,005			2,005
North Park Neighbourhood Association	2,090	94		2,184
Oak Bay Gospel Assembly			5,986	5,986
Oaklands Chapel			4,639	4,639
Oaklands Community Association	64,976		6,993	71,969
Oaklands Elementary School		71		71
Oasis Society for the Spiritual Health of Victoria	10,000			10,000
Old Carriage House Parking Ltd, The (Heritage)			13,804	13,804
Open Space Arts Society			17,678	17,678
Our Place	35,000			35,000
Pacific United Artists Foundation	5,000			5,000
Pacifica Housing Advisory Association			32,351	32,351
Palladian Building, The (Heritage)			43,339	43,339
Pandora Arts Collective Society, The	3,800			3,800
Parkdale Evangelical Free Church			3,187	3,187
Parrish, Megan & Frank (Secondary Suites)	5,000			5,000
Passion for Tango Society	1,000			1,000
PEERS Victoria Resources Society	10,000	94		10,094
Pentecostal Assemblies of Canada			3,751	3,751
Phoenix Human Services			5,777	5,777
President of Lethbridge Stake			7,726	7,726

STATISTICAL INFORMATION

2011 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
Prior Building (Heritage)	\$	\$	\$ 66,816	\$ 66,816
Provincial Rental Housing Corp	16,506			16,506
Recreation Integration Victoria	28,942			28,942
Renaissance Building (Heritage)			35,830	35,830
Rockland Community Association	2,220			2,220
Rolls Whitmore, Jonas Emerson (Secondary Suites)	5,000			5,000
Royal Roads University		140		140
Saint Sophia Parish of the Russian Orthodox Church			3,293	3,293
Scout Properties (BC/Yukon) Ltd			8,263	8,263
Sharman, Rex & Miriam (Secondary Suites)	5,000			5,000
Shekinah Homes Society Inc			5,482	5,482
Sirk, George & Paulley, Kimberley (Secondary Suites)	5,000			5,000
Societe Francophone de Victoria, La	4,000			4,000
South Jubilee Neighbourhood Association	1,405	94		1,499
Sporthost	7,500			7,500
St Andrews Cathedral		160		160
St John Ambulance	2,221			2,221
St Joseph's Hospital X Wing Building (Heritage)			25,616	25,616
St Vincent de Paul Society of Victoria			34,351	34,351
Suddenly Dance Theatre Society	4,500			4,500
Sunberg, Kathy & Willmore, Brenda Leanne (Secondary Suites)	5,000			5,000
Terry Fox Foundation		914		914
Theatre SKAM	2,000			2,000
Times Colonist Cycling Festival		2,278		2,278
TLC (The Land Conservancy of BC)			25,344	25,344
TNT Productions		212		212
Tour de Victoria		12,978		12,978
Tourism Victoria	47,500			47,500
Trevethan, Jean (Secondary Suites)	5,000			5,000
Trustees of James Bay United Church			10,495	10,495
Trustees of Our Lord's Church			14,545	14,545
Trustees of the Chinese Presbyterian Church			8,657	8,657
Trustees of the Congregation of Fairfield United Church			4,287	4,287
Trustees of the Congregation of St Andrew's Presbyterian Church			16,491	16,491
Trustees of the Congregation of the Jubilee Congregation of Jehovah's Witness			4,602	4,602
Trustees of the Congregation of the Open Door Spiritualist Church			1,796	1,796
Trustees of the Religious Society of Friends			3,919	3,919
Ukrainian Catholic Eparchy of the New Westminster			992	992
United Church of Canada			14,049	14,049
United Way of Greater Victoria			17,908	17,908
Unity Church of Victoria			1,382	1,382
University of Victoria Native Student Union		666		666
Vancouver Island Addiction Recovery Society			1,732	1,732
Vancouver Island Health Authority			62,887	62,887
VI Alleycat Racing Association		518		518
Victoria Advanced Technology Council	22,500			22,500

STATISTICAL INFORMATION

2011 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
Victoria AM Association	\$ 2,000	\$	\$	\$ 2,000
Victoria Association for Community Living			5,048	5,048
Victoria BC SKA Society	7,000	1,000		8,000
Victoria Brain Injury Society	5,070			5,070
Victoria Civic Heritage Trust	523,470			523,470
Victoria Compost Education Centre	13,530	142		13,672
Victoria Conservatory of Music	3,000		71,967	74,967
Victoria Cool Aid Society	10,200		6,097	16,297
Victoria Cool Aid Society – Aids Vancouver Island			19,438	19,438
Victoria Curling Club, The			48,899	48,899
Victoria Cycling Series		814		814
Victoria Downtown Public Market Society	6,650			6,650
Victoria Dragon Boat Festival Society	10,000	4,822		14,822
Victoria Harbour Celebration Society		164		164
Victoria Heritage Foundation	189,368			189,368
Victoria Highland Games Society	5,000	1,727		6,727
Victoria Hospitality Award Program	950			950
Victoria Immigrant & Refugee Centre Society	8,000			8,000
Victoria Independent Film & Video Festival Society	13,000			13,000
Victoria International Buskers Festival Society	8,000	1,019		9,019
Victoria International Cycling Festival		673		673
Victoria International Running Society		5,882		5,882
Victoria Jazz Society	18,000	1,982		19,982
Victoria Marathon Society		20,310		20,310
Victoria Meeting Rooms Holding Society			5,771	5,771
Victoria Native Friendship Centre	5,000		6,199	11,199
Victoria Pride Society	2,000	4,373		6,373
Victoria Shambhala Centre & Southside Christian Group			2,133	2,133
Victoria Silver Threads	36,666			36,666
Victoria Single Parent Resource Centre Society			7,464	7,464
Victoria Symphony Society	11,500	10,967		22,467
Victoria Theatre Guild and Dramatic School			19,492	19,492
Victoria Truth Centre Inc			27,809	27,809
Victoria West Community Association	81,527	117		81,644
Victoria Women in Need Community Co-Op			9,238	9,238
Victoria Women's Transition House Society	2,000		11,224	13,224
Victoria Youth Empowerment Society	17,000		17,270	34,270
Wilson Dalby/Mc & Mc Building (Heritage)			152,510	152,510
Women's Sexual Assault Centre		682		682
YM/YWCA of Victoria			86,801	86,801
Total	\$ 2,537,646	\$ 109,804	\$ 2,558,270	\$ 5,205,720



Looking Forward

OUR 2030 VISION:

Victoria is a vibrant, richly diverse and sustainable city built upon our heritage and unique lifestyle.

In British Columbia's Capital City, there is an unmistakable sense of place, rooted in breathtaking natural beauty, a balance of distinct heritage and modern architecture, and environmental stewardship that is apparent in the way Victorians live. Proudly displaying our First Nations heritage and our distinction as the provincial capital, Victoria citizens enjoy an outstanding quality of life.

Victoria is a community designed for all ages. It is equally well suited to raise a child, work or retire. We are a city where learning opportunities abound. We are an engaged community known for our spirit of inclusivity and tolerance.

Anchored by a spectacular working harbour, downtown Victoria is the economic heart of the region and Vancouver Island.

Business and industry thrive in Victoria, with a wealth of talented workers in a variety of sectors. Our historic downtown is safe to enjoy day and night, bustling with regional residents and tourists alike. Niche businesses and eclectic restaurants abound. Every day is a special day in Victoria, and we top it with an array of exceptional festivals and events that attract thousands to our great city.



Neighbourhoods are well-connected hubs of activity, designed for active living. Victoria offers a mix of housing that is affordable and within close distance to schools, parks, shopping and recreational opportunities.

We are known for being green. We continue to be a city of gardens, with downtown streets lined with world-renowned hanging

baskets and a diversity of trees, and neighbourhoods overflowing with gardens.

Victoria is easy to get around. We are compact in design, and walkable by foot, stroller or wheelchair. We are the year round cycling capital of Canada, and we continue to be recognized globally for our sustainable planning. Our city is supported by reliable infrastructure to support clean











water, efficient drainage, and effective transportation systems.

Whether enjoying a concert in a historic theatre, having dim sum in Chinatown, or happening upon art in unexpected places, our art and our culture are evident.

Celebrating our history. Engaging our community. Building our future.

Our commitment to the environment

The environmental savings below were achieved by printing the Annual Report using post-consumer recycled fibre in place of virgin fibre:

-  7 trees preserved for the future
-  9 kg water-borne waste not created
-  11,573 litres wastewater flow saved
-  153 kg solid waste not generated
-  302 kg net greenhouse gases prevented
-  5,097,960 BTUs energy not consumed
-  221 kg ghg emissions not generated
-  115 cubic metres natural gas unused
-  Equivalent to not driving 775 km in an average car
-  Equivalent to planting 33 trees

