

# City of Victoria | Annual Report

BRITISH COLUMBIA | YEAR ENDED DECEMBER 31, 2010



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











# Welcome to 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. Our nearly 1,000 employees, Mayor and City Council are dedicated to making it world class. 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.





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A city is > the sum of its parts

# What is a city?

What is a city? A city can be found on a map, an area bounded by natural and man-made borders. But it is more than just a location, a mathematical equation of population, land mass, and demographics. A city consists of more than just its streets, buildings and structures. So what, then, is a city?

A city is a sense of place, marked by a daily rhythm of the streets. Our city, the City of Victoria, has a synergy that makes it more than just a spot on the map. It's that feeling you get when returning from away, and the sense of pride when you can say, "This is my home town."

A vibrant city has a pulse, made of the people that reside within its borders, interconnected and each with a rich and diverse history. It is one part community, one part heritage, one part culture. The economic engine that drives it is intertwined with the environment that nurtures it. A city comes to life with events and festivals. It is made up of places to meet, eat, play, laugh, dance, study, shop and work. It is where we live.

Here in the City of Victoria we are fortunate to be part of a rich mosaic created by the people, arts and culture, heritage, downtown, shops and natural environment. Victoria is a city of neighbourhoods, each with distinctive character and charm. We are blessed with an abundance of natural beauty that creates the frame, and a diversity of people, talent and businesses that make up the tapestry. We are the economic heart of the region, and a city that is equally well-suited to go to school, raise a family, start a career, or enjoy the golden years of retirement.

Our Capital City is a living organism, dynamic and vibrant. Victoria is alive with people and activity. It means something special, and different, to each and every one of the 83,000 residents and nearly 3.5 million visitors annually. Each element of the city plays a role, and is made greater by being part of the whole. The City of Victoria is more than just the sum of its parts.





*Top to bottom: 2010 Paralympic Torch Relay Ceremony, 2010 Public Works Day, Victoria – Nanning Friendship City Agreement signing*



# 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.

2010 was a remarkable year for the City of Victoria – our community voted in a referendum to replace the Johnson Street Bridge; we elected a new City Councillor; continued to invest in a variety of housing projects, our downtown, and community parks. And all the while we have maintained the high quality services and programs our community is built upon.

After many months of city-wide debate, residents went to the polls on November 20th to vote on the replacement of the aging Johnson Street Bridge. At the same time we cast a ballot to elect a new councillor.

The referendum was a success, and we are already underway in the replacement project. It will be approximately four 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 a separated pedestrian sidewalk. 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.

Marianne Alto was elected as our new Councillor. Marianne is a welcome addition to the team, as she brings a great amount of talent and passion to the Council table. Our thanks go out to former councillor Sonya Chandler for her years of dedicated service to our community – we wish her all the best in her next adventure.

We have also been working diligently towards completing two key plans for the City – the Official Community Plan and our Downtown Core Area Plan. Both of these projects will ensure our community grows in a smart and sustainable way that protects what makes Victoria so special.

These plans, in conjunction with our Economic Development Strategy, will ensure that Victoria is a city where people can invest and thrive – where you can start a family, build a career, and contribute to your community. There is a lot we want to get done, but we need a strong and healthy economy to get there.

Our new Economic Development Strategy is not just looking outward, but also looking inward at City Hall. How City Hall conducts business is as important as the business we conduct. We want to ensure that we are helping, not hindering, the exciting ideas and vision coming from our community. After all, we're an organization and a community built on strong values – and that means finding innovative ways of providing the highest level of service we can.

We remain committed to ending street homelessness. This year we have seen the opening of the new shelter, Rock Bay Landing, the Wing building for low-income families, as well as the start of renovations for additional units at Swift House. As well, the City, with our partners, purchased two former Traveller's Inn motels in an effort to provide safe and supportive housing for our community. One site, Queen's Manor, is already open as transitional housing for more than 36 people.

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.

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 2010 was a year of growth and progress, and 2011 is set to continue that trend.

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 to live, work and play.



Dean Fortin  
Mayor

# Mayor and City Council



The Mayor and Council of the City of Victoria were each elected for a three-year term in the municipal election held in November 2008. A by-election was held in November 2010 to replace departing Councillor Sonya Chandler. Each member is appointed to standing portfolios, City and regional committees and a liaison to a particular Victoria neighbourhood.

## Portfolio

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



## Sonya Chandler

**Neighbourhood:** North Park, Hillside/Quadra

- Board of Cemetery Trustees
- CRD Board – 4th Alternate Municipal Director
- CRD Water Supply Commission – Alternate
- City of Victoria Youth Council
- Greater Victoria Family Court and Youth Justice
- Greater Victoria Harbour Authority

## Chris Coleman

**Neighbourhood:** Rockland, North and South Jubilee

- CRD Board – 2nd Alternate
- CRD Housing Corporation Board – 2nd Alternate
- CRD Water Supply Commission
- Capital Region Emergency Service Telecommunications (CREST)
- FCM (Federation of Canadian Municipalities) Board: a) Standing Committee on Economic and Social Development; b) Standing Committee on International Relations; c) BC Caucus
- Provincial Capital Commission
- Victoria Athletic Commission

## Lynn Hunter

**Neighbourhood:** Fairfield/Gonzales

- CRD Board – 1st Alternate
- CRD Housing Corporation Board – 1st Alternate
- CRD Regional Housing Trust Fund Commission
- CRD Water Supply Commission
- Greater Victoria Spirit Committee
- Provincial Capital Commission
- Tourism Victoria Board of Directors and Destination Marketing Commission
- Victoria Conference Centre Advisory Board
- Victoria Parks and Recreation Foundation Society

## Philippe Lucas

**Neighbourhood:** Fernwood

- CRD Board of Directors/Committee of the Whole
- CRD Core Area Liquid Waste Management
- CRD Environment Committee
- CRD Hospital District Board
- CRD Housing Corporation Board
- CRD Solid Waste Advisory
- CRD Water Supply Commission – Alternate
- Roundtable on the Environment



Marianne Alto was sworn in on December 2, 2010 following a November by-election to replace Sonya Chandler.





**John Luton**

**Neighbourhood:** Victoria West

- CRD Board – 3rd Alternate Municipal Director
- CRD Climate Action Steering Committee
- CRD Housing Corporation Board – 3rd Alternate
- CRD Water Supply Commission
- Greater Victoria Labour Relations Association Board



**Pamela Madoff**

**Neighbourhood:** James Bay

- CRD Arts
- CRD Housing Corporation Board – 4th Alternate
- CRD Water Supply Commission – Alternate
- Greater Victoria Public Library Board
- Art in Public Places Committee
- Royal and McPherson Theatres Society Board
- Victoria Civic Heritage Trust
- Victoria Conference Centre Advisory Board
- Victoria Heritage Foundation



**Charlayne Thornton-Joe**

**Neighbourhood:** Burnside Gorge/  
Downtown/Harris Green

- CRD Board of Directors/Committee of the Whole
- CRD Core Area Liquid Waste Management
- CRD Hospital District Board
- CRD Housing Corporation – Chair
- CRD Parks
- CRD Water Supply Commission – Alternate
- Downtown Victoria Business Association
- Greater Victoria Coalition to End Homelessness
- Honorary Citizens Committee



**Geoff Young**

**Neighbourhood:** Oaklands

- CRD Chair – Board of Directors/Committee of the Whole
- CRD Core Area Liquid Waste Management
- CRD Environment (ex officio)
- CRD Finance Corporate and Protective Services (ex officio)
- CRD Hospital District Board
- CRD Parks (ex officio)
- CRD Planning and Transportation (ex officio)
- CRD Water Supply Commission
- Municipal Finance Authority

Council portfolios noted above are reflective of the period January – September, 2010

# Message from the City Manager



I always look forward to this annual opportunity to reflect on the progress and achievement made across the organization and within our community. We don't tend to pause often enough to truly appreciate how much work goes into keeping our Capital City running smoothly and looking world-class.

This year was a busy year, and it was a year of many accomplishments. We continue to host nearly 200,000 people in the Capital City each day and in 2010 made progress on some very significant projects in the city.

As a local government, we must have the ability to recognize the environment in which we provide services and have our finger on the pulse of the needs of the taxpayers. We must be able to adapt and reinvent ourselves to be more innovative, creative, and responsive to what the community is telling us is important. Although we service our community today, our planning and decisions must be future oriented and forward thinking.

Over the past two years we have undertaken unprecedented consultation with our community and have a new vision for our organization, and key strategies identified to tackle challenges and embrace opportunities.

In 2010 we conducted our first ever survey of businesses as well as our biennial citizen survey with 97% of residents and 83% of businesses indicating that the overall quality of life in Victoria as good. Businesses and citizens are generally aligned when it comes to important municipal issues and priorities.

Among a myriad of other exciting initiatives – including the update of our Official Community Plan, an Economic Development Strategy, the Johnson Street Bridge Replacement Project, and taking action on climate change – over the coming year we will be taking a close look at our customer service practices. We are investing in ways to make it easier for taxpayers to connect with City services and information faster, delivering greater value for each tax dollar.

We are an organization and a community built on strong values and a deep sense of commitment. I would like to acknowledge the input of numerous individuals, businesses and organizations who have given of their time and expertise in helping to shape Victoria's future; the work of Council in setting the direction, leading the policy and strategic planning discussions; and the efforts of our highly skilled and dedicated employees who were able to meet the challenges set before them.

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.

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, 2010. The financial statements are the responsibility of the City of Victoria'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, 2010. 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, 2010 the City had an accumulated surplus of \$339 million, mainly composed of Equity in Capital Assets (\$254 Million) and Reserves (\$86 Million).

The City's revenues increased by \$3.67 million in 2010. Although property tax revenues increased by \$5.9 million (\$4.0 million from a property tax increase and \$1.9 million in assessment growth), unconditional government transfers decreased by \$2.7 million. The City's greatest increase in expenses were due to the amortization of capital assets, contractual wage and benefit obligations for police and fire, water purchase costs due to rising outside agency rate increases, and additional resources for planning and sustainability.

## Highlights

The annual surplus for the year was \$26.1 million; reserves increased by \$8.5 million and year end cash and investments grew by \$2.1 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 2009 Annual Report being awarded the GFOA Canadian Award for Financial Reporting Excellence for the sixth consecutive year.

In closing, I would like to thank all those who contributed to a successful year in 2010 and in helping to make Victoria the most livable City in Canada. I would like to acknowledge City Council, Directors and staff in all City Departments, but in particular the staff in the Finance Department who continued to demonstrate a high level of professionalism and dedication.

Sincerely,

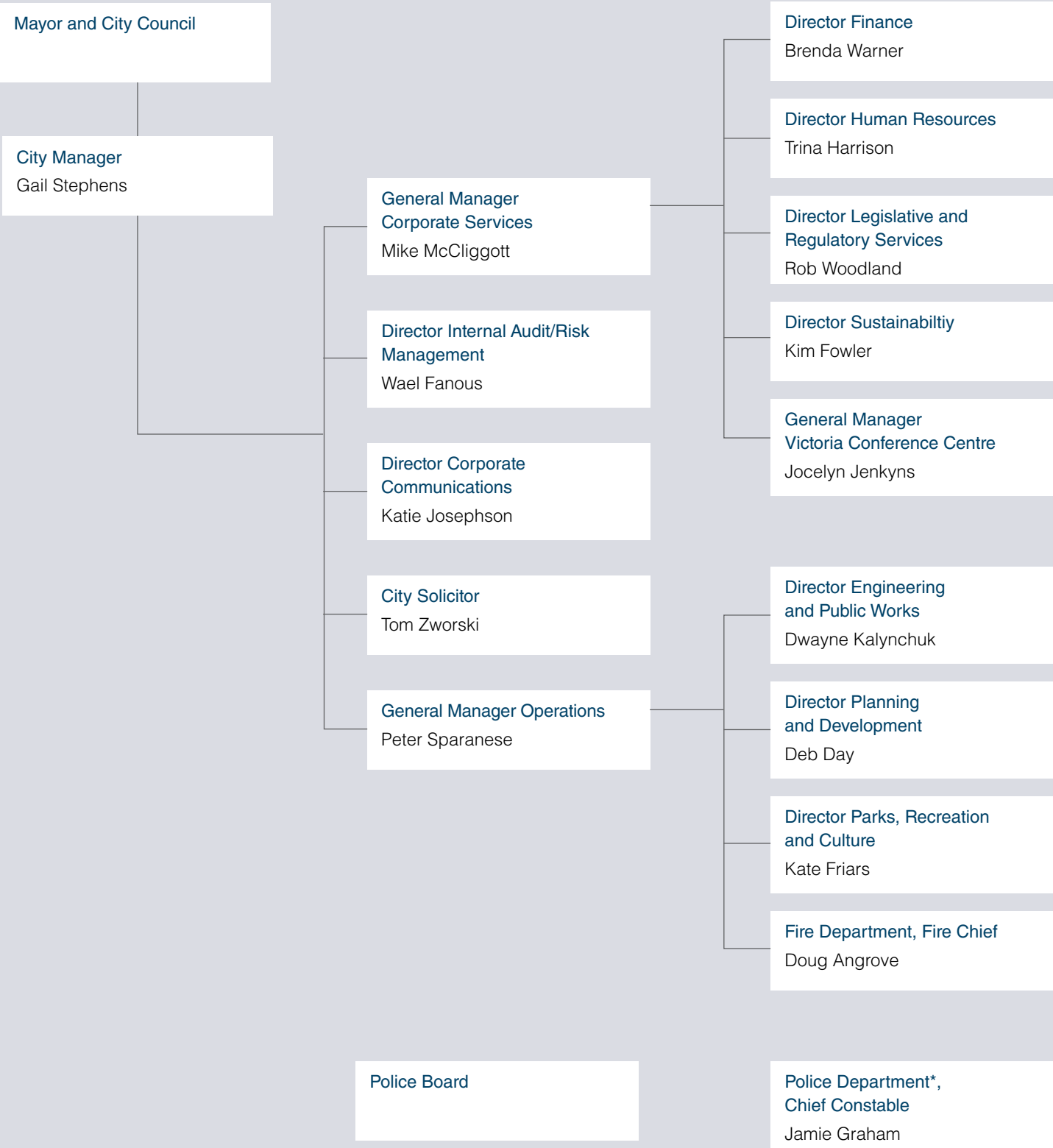
A handwritten signature in black ink, appearing to read 'B. Warner', written over a horizontal line.

Brenda Warner  
Director of Finance

April 28, 2011

# 2010 Corporate Organizational Chart

## CITY OF VICTORIA



*\*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.



customer service + innovative strategies = a great place to work



# 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.

## Citizen and Business Satisfaction

In 2010 the City of Victoria conducted its biennial Citizen Survey, coupled for the first time with a Business Survey. Both sought perspectives on quality of life, satisfaction with services and programs, customer service, community issues, emergency preparedness and funding priorities for the City. The poll, conducted by Ipsos Reid, revealed that the majority of citizens and businesses feel the City of Victoria is performing well. The poll was independent and representative of the entire community, using a sample of 600 households and 300 businesses.

### Key Highlights:

- 97% of residents and 83% of businesses indicate that the overall quality of life in Victoria is good or very good
- Perceptions of downtown are predominantly positive, particularly when it comes to daytime safety, amenities and services, cleanliness and vibrancy
- Businesses cite many varied benefits to operating in Victoria, including the local people and access to amenities and services
- Social issues were identified as a top priority for both citizens and businesses, with transportation in second place
- Businesses are more than twice as likely to anticipate expanding vs. downsizing in the next five years
- Nearly nine out of 10 residents feel they receive good value for municipal tax dollars
- There is room to increase the amount of information disseminated to citizens
- Businesses and citizens are generally aligned when it comes to important municipal issues and priorities

## Referendum and By-Election

The City of Victoria held a successful by-election and referendum in 2010. In the referendum asking voters to approve the borrowing bylaw to replace the Johnson Street Bridge, the referendum passed with 60.57 percent voting in favour, and with 39.43 percent voting against. The by-election was held to fill one seat on Victoria Council left vacant by Sonya Chandler.

16,459 ballots were cast in the referendum, marking a 20 percent increase over the 13,819 cast in the 2002 arena referendum, and within a few hundred votes of the 17,080 votes cast in the 2008 general election.

## Customer Service and Civic Engagement

In an effort to make voting information as accessible as possible, the City of Victoria launched a free iPhone app for the by-election and referendum. 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.

## Foundations for Success

In 2010 the City of Victoria developed a Civic Engagement Strategy – one of few in Canada – to identify how we can better engage with our citizens in municipal matters. This strategy identified principles and best practices for reaching out to inform and involve citizens in public decision-making.

The City continued to utilize social media, including Facebook and Twitter, and achieved 5,500 fans on Facebook, one of the most successful Facebook pages among Canadian municipalities.

In an effort to hear from as many people as possible while updating the Official Community Plan, the City of Victoria partnered with Wise Democracy Victoria, a local non-profit group, to facilitate two Citizen Insight Council discussion groups made up of randomly selected citizens.

2010 also saw upgrades to the City of Victoria Archives facility to improve customer service and the working environment for staff.

## 2010 By the Numbers

- 193 media releases distributed
- 21 Council Meetings and 12 Special Council Meetings held
- 57 Public Hearings
- 97 Council committee meetings
- 17 Mayor's Open Door Sessions
- Responded to 85 FOI requests

# Pursuing Operational Excellence, CONTINUED

## What we said we would do:

Create a culture of performance and pride in public service

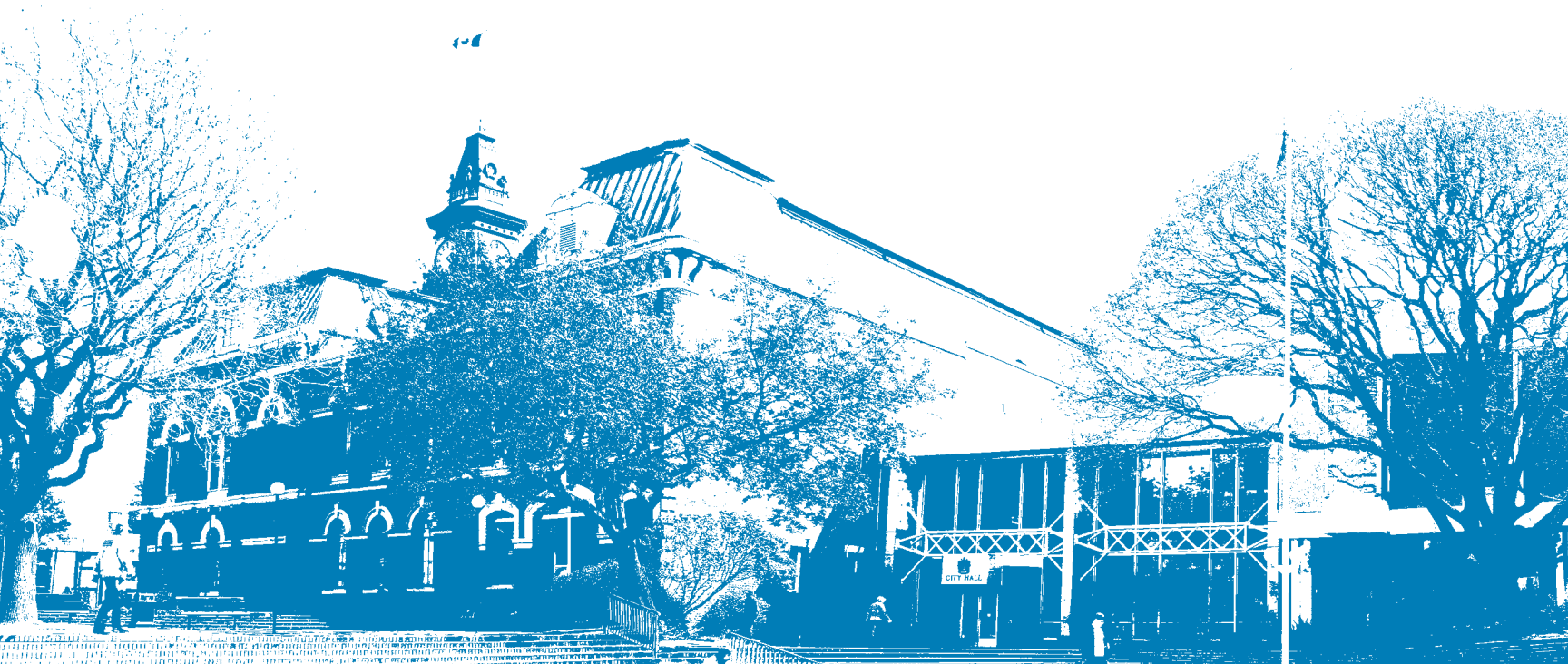
Sharpen the focus on customer service

Strengthen citizen involvement in key municipal decision-making processes

Enable Council to make informed and balanced decisions for long-term stability

## What we achieved:

- Average hours of in-house training per employee: 270
- Average turnover rate for employees was 6.9% of FTE's, compared to 7.6% in 2009
- 42% of performance plans were completed, compared to 33% in 2009 and 60% in 2008
- 92% of residents reported satisfaction with the City's overall level and quality of services
- 84% of businesses reported satisfaction with the City's overall level and quality of services
- The City exceeded rental income budget from commercial leases and other property agreements by 22.5%
- 5 liquor licence applications or changes
- 73% of residents reported that Council welcomes citizen involvement in community planning and decision-making
- Achieved targets of garnering input from over 4,000 people on community priorities during the Official Community Plan engagement process
- 86% of residents and 71% of businesses reported they receive good value for the municipal taxes they pay



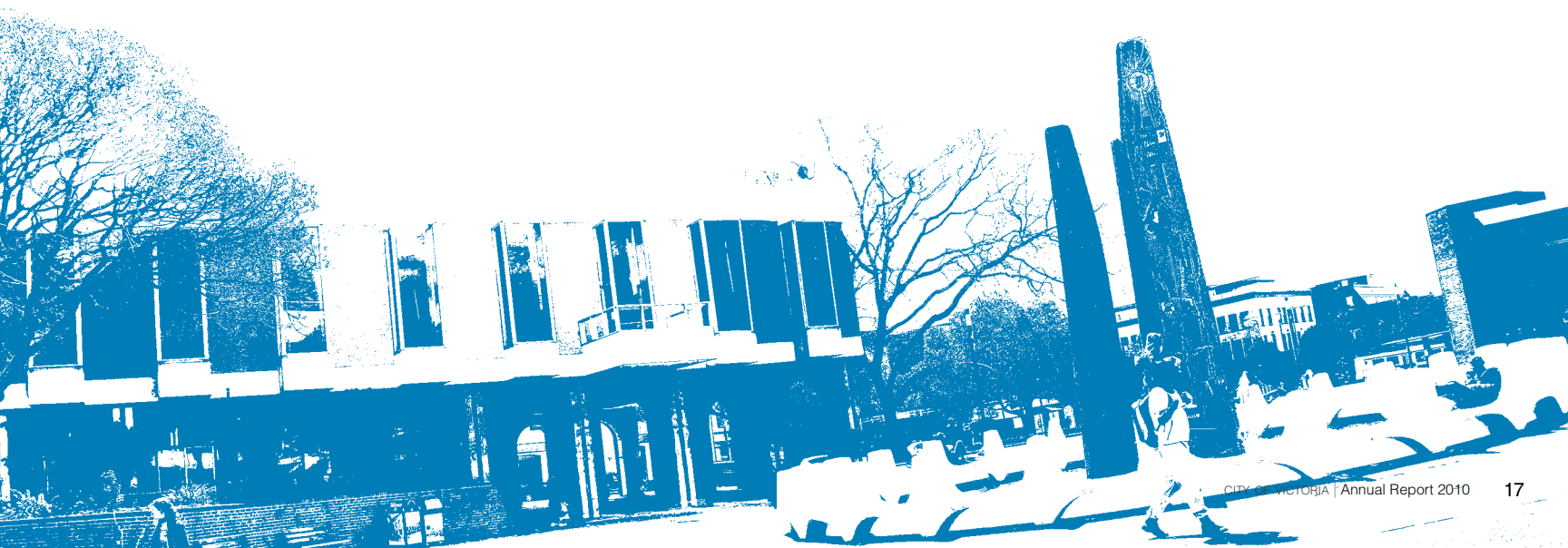




+



= pride in public service







healthy communities + investing in neighbourhoods = a place for everyone



# Building a Strong Community

Triple bottom line sustainability drives everything the City of Victoria does. We continue to ensure the decisions made today are in keeping with community values and consider the needs of tomorrow.

## Arts and Culture

In 2010, the City of Victoria developed a new Art in Public Places policy, to increase funding for art in public spaces and expand opportunities for artists and members of the public to participate in the process. Under the new policy, annual funding for public art increased by \$92,000, to a total of \$150,000; this includes \$135,000 for new artworks and \$15,000 for the maintenance of existing pieces.

The City also completed the Victoria Arts Scan Mapping Project, an inventory of arts and cultural organizations and resources in the city. This information will help the City determine where opportunities and gaps exist and identify future priorities for assisting Victoria's arts and cultural community.

## Sports and Recreation

In February of 2010, Victoria's Spirit Square came alive in a brilliant burst of colour, energy and excitement at a three-day festival. Livingcolours 2010 Spirit Spectacular featured exciting events, sports, activities and live performances during the opening weekend of the Vancouver 2010 Olympic Games. The City of Victoria also hosted the start of the 2010 Olympic Torch Relay, and Paralympic Torch Relay.

Victoria played host to the CBC Hockey Night in Canada Play On! National Championship Street Hockey Tournament. The two day event was carried across Canada by CBC television, giving Victoria national exposure and took place on Belleville Street in front of the Provincial Legislature.

Parks crews completed Phase 1 of the Fisherman's Wharf Park renovation that included a new nautical themed playground and the first complete section of the Harbour Pathway project. This park is in the process of being transformed from an underused sports field to a "natural" park with a broader range of amenities that will create a destination park for residents.

## Downtown Vitality

The International Downtown Association recognized the City of Victoria with a Downtown Pinnacle Award for its work in designing an innovative solution to a common urban issue. The custom designed urinal at the corner of Pandora Avenue and Government Street was introduced to reduce urination in public spaces, especially after late night bar closings on the weekends.

The City of Victoria, Downtown Victoria Business Association and Chinese community came together in 2010 to light up Canada's oldest Chinatown year-round. New festive red and yellow lights now shine on this historic part of downtown, enhanced by seasonal ornamental fixtures. Light-sensitive, the new lighting will automatically come on at dusk and turn off at dawn.

The new Late Night Great Night Strategy was implemented in 2010, and included the creation of late night taxi stands at specific downtown locations and increased police presence. The strategy was created to deal with late night downtown issues.

## Housing First

In 2010 the City of Victoria purchased two Traveller's Inn properties for \$5.25 million to increase the availability of rental units, and provide more affordable and supportive housing. The doors to Queens Manor opened in early November to provide 36 units of safe and stable supported "low-barrier" housing.

Victoria City Council committed more than \$600,000 in grants from the Victoria Housing Fund to assist the Greater Victoria Housing Society in creating two affordable housing projects in Victoria. \$370,000 was approved to develop 37 new rental units for low to moderate income families, seniors and single adults, while another \$250,000 went toward creating 25 new rental units of low to middle income housing for single adults.

City crews collected 14,500 pounds of food valued at approximately \$35,000 during the annual Public Works Food Drive from Victoria households prior to the Christmas season to support the Mustard Seed Food Bank.

# Building a Strong Community, CONTINUED

## What we said we would do:

Ensure land development patterns are compact, human-scale and efficient

Ensure diverse and accessible opportunities to engage in arts, culture, sports and recreation

Preserve and enhance Victoria's visual distinctiveness, character and heritage

Facilitate development of a wide range of housing types, tenures and prices to meet needs of all residents

Build capacity to anticipate and adapt to critical incidents, emergencies and catastrophic events

## What we achieved:

- 64% of residents reported that Council is going at the right pace with new development
- 97% reported that their quality of life in Victoria is good
- Over 6,000 tonnes of solid waste is recycled annually for the City

- Attendance at City-sponsored events: 425,000
- Total number of event permits: 175
- Attendance at Crystal Pool: 300,000
- Attendance at Royal Athletic Park: 59,000
- Number of sports field/court bookings: 4,149
- Revealed a new mural showcasing various recreation activities in Topaz Park
- Partnered with local media outlets to put on the annual Spirit of the Season in the Square events

- 89% of residents reported that the City is doing a good job of preserving heritage structures, up from 66% in 2008
- 83% of residents reported satisfaction with design of streets, boulevards and public spaces, up from 60% in 2008
- 91% of residents reported satisfaction with city beautification
- 15 new heritage designations
- Heritage grants totalling \$126,623 with Victoria Heritage Funds
- Heritage grants totalling \$173,750 with Victoria Civic Heritage Trust

- 49 new secondary suites created
- 9 homeowners took advantage of the Secondary Suites Grant Program
- 62 new supportive housing units created
- 111 new affordable housing units and 62 new rental housing units

- 410 total fires attended by the Victoria Fire Department, down from 486 in 2009
- 95 active volunteers with the Victoria Emergency Management Agency (VEMA)
- 1,178 people attended a VEMA Emergency Preparedness talk







+



= a dynamic capital city







entrepreneurship + a healthy economic climate = a vibrant downtown



# Growing Our Economy

Building on record years for downtown development while recognizing an economic downturn and increasing competition in the Capital Region, 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

A panel of local business professionals began working with City staff in 2010 to develop an Economic Development Strategy to retain and attract economic growth to the Capital City. The strategy will include an assessment of the city's realistic economic development and employment growth prospects in the short, medium and long term, opportunities to strengthen and diversify the local economy and identify the subset of opportunities that are focused on environmental services, green technology, sustainable building strategies and environmentally-friendly sectors of the economy.

## Victoria Conference Centre

In 2010 the Victoria Conference Centre was able to capitalize on the expansion to take in the Crystal Garden, and host many events that could not have been previously accommodated in Victoria. One of these events was the BC Truck Loggers Association conference, with more than 800 delegates, held in Victoria for the first time in 67 years.

## Parking

Installation of Victoria's new on-street parking system was completed in 2010. The City of Victoria replaced 1,900 on-street parking meters with 257 computerized pay stations to make parking easier and more inviting for downtown visitors.

## Fostering Global Relationships

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 2010 Mayor Fortin led a delegation to Morioka, Japan to celebrate the 25th anniversary of the Twin City relationship with the City of Victoria. In return, Victoria hosted a delegation of over 100 visitors from Morioka. The Twin City relationship between Victoria and Morioka developed after the 50th anniversary of the death of Dr. Nitobe, a widely respected Japanese diplomat and philosopher, who died in Victoria in 1933. Dr. Nitobe wished to serve as a bridge across the Pacific and it is in his spirit that the relationship is nurtured. He is highly revered in the town of his birth, Morioka, and throughout Japan.

Mayor Fortin also led a delegation to the People's Republic of China to promote business, tourism and education sector opportunities and to celebrate the 30th Twin City relationship with Suzhou, China.

In 2010 the City of Victoria also signed a formal Friendship City Agreement with the Chinese cities of Changsha and Nanning, and welcomed 18 different international groups to City Hall.

# Growing Our Economy, CONTINUED

## What we said we would do:

Create a welcoming environment for new businesses to locate and for existing businesses to grow and expand

Grow tax base while staying competitive

Enhance the vibrancy, economy and safety of downtown Victoria

Promote Victoria as a capable and unique destination for arts, culture, entertainment and sporting events

Build on Victoria's existing strengths in high technology and tourism

## What we achieved:

- 73% of businesses reported that the City's regulatory environment is fair to businesses
- 83% of businesses reported that overall the City is a good place to operate a business
- 1,785 new business licences issued
- 9,363 business licences renewed
- 75,122 delegate days related to attending conferences in Victoria
- 325 utility permit applications
- 12 new sidewalk café permits applications and 100 renewals
- 28 sub-division and strata conversion reviews and approvals

- 91% of residents and 90% of businesses reported that the downtown core has a good range of shops, entertainment and services that meet the community's needs

- 83% of residents and 80% of businesses reported that the downtown core is vibrant and exciting during the day; and 64% of residents and 60% of businesses reported the same for the evening
- 94% of residents and 88% of businesses reported that the downtown core is safe during the day; and 58% of residents and 39% of businesses reported the same for the evening
- Economic impact of conference spending generated by the Victoria Conference Centre in 2010: approximately \$40 million

- Economic impact of City-sponsored arts, culture, entertainment and sporting events: \$5 million in direct spending with an economic impact of \$9 million

- Currently developing an Economic Development Strategy







== the economic heart of the region







natural assets + green infrastructure = Canada's fittest city



# 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 2020, and ensuring our own operations are carbon neutral by 2012.

## Responsible Growth

In 2010 Victoria City Council voted in favour of a new land use model for the updated Official Community Plan that would see the development of walkable, complete neighbourhoods for Victoria over the next 30 years. This will help ensure our city develops with neighbourhoods that provide amenities for people close to where they live. Climate protection and energy use reduction will also form a major part of the new plan.

The Building Owners and Managers Association of Canada awarded the Victoria Conference Centre the BEST (Building Environmental Standards) Level 3 certification in 2010, recognizing excellence in environmental management and performance. At the same time, the City of Victoria's Burnside Gorge Community Centre received a rare and prestigious LEED Canada Gold Certification for integrating its building into a former brownfield site, and for creating a highly efficient and sustainable community facility.

## Urban Forest

City staff purchased more than 1,000 trees in 2010 to replace ailing trees on streets and in parks, including replacing 26 ailing street trees on Pinewood Avenue. Victoria's street tree program is assisted by a five-year, \$400,000 funding agreement with BC Hydro that the City matches from its urban forest capital fund.

## Caring for Our Parks

In 2010 Parks staff installed a new garden of native trees, plants and shrubs at the Lookout in Beacon Hill Park that will serve as an example for future natural area restoration in the park. The new native plantings are designed to blend in with the existing Garry oak meadow and include a new Garry oak, four species of native shrubs and a variety of bulbs and perennials. Beacon Hill Park consists of close to 38 hectares of natural areas, consisting of Garry oak savannahs, Camas wildflower meadows, rocky outcrops, Douglas fir forest, and coastal bluffs.

Success by 6 and PLAY Victoria presented Beacon Hill Park with the Favourite Park Award for 2010. The park's amenities make it a favourite for families in the region, including two playgrounds, a water play park, petting zoo, natural areas and a putting green.

In 2010 City of Victoria staff completed community-based management plans for Summit and Cecilia Ravine Park, both significant natural parks in Victoria. Cecilia Ravine and Banfield Park also benefited from the assistance of 75 youth and their leaders from the Albert Head Air Cadet Summer Training Centre, who spent time removing invasive plants from these two areas. Often referred to as "alien" or "non-native", invasive plant is the name for a species that has become a weed and spreads aggressively, displacing native plants.

## Reducing Our Footprint

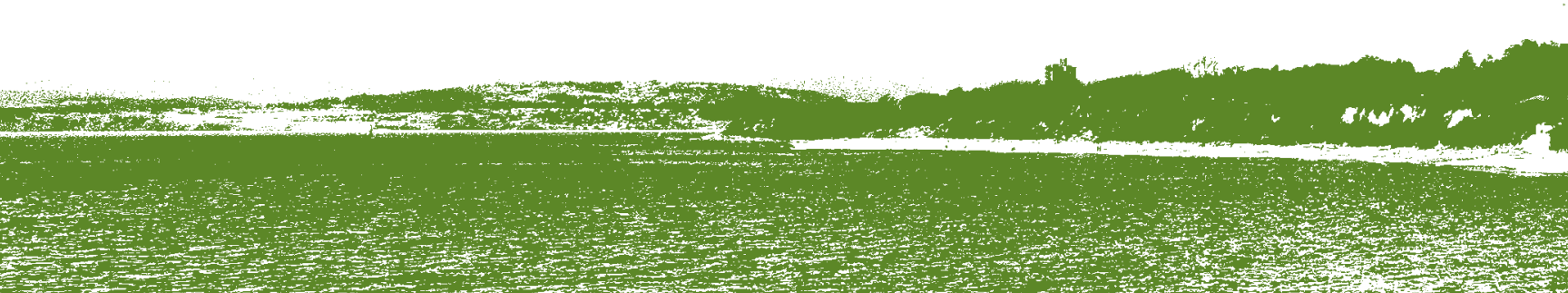
The City of Victoria is a leader in energy reduction in the workplace and is committed to a triple bottom line approach in all of its programs and buildings, integrating social and environmental values with prudent fiscal management.

Victoria City Council committed to two ambitious environmental targets on Earth Day 2010, signing on to the *BC Green Communities Act* goal of reducing greenhouse gas emissions by 33% by 2020, and targeting 2012 for municipal operations to be carbon neutral. Earth Day is designed to inspire awareness and appreciation for the Earth's environment. Victoria already has significantly lower residential emissions than the average municipality in the Capital Region, due to our more compact and connected urban design.

The City once again participated in Earth Hour for 2010, 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.

# 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"><li>• 3% of the City's land base is dedicated to natural areas/natural habitat</li><li>• 2 new naturalized areas created in 2010</li><li>• 501 trees planted in 2010</li><li>• Conducted Maddison Lane natural area restoration and greenway development</li><li>• Implemented year one of grid tree pruning program in partnership with BC Hydro</li></ul>
Provide infrastructure that supports sustainable transportation, water, sewer, storm water and solid waste management	<ul style="list-style-type: none"><li>• 3,918 total construction permits valued at \$139.9 million</li><li>• 120 meters of new greenways</li><li>• 910 meters of new sidewalks</li><li>• Hallmark Society Presidents Award for the rehabilitation and adaptive re-use of the historic Crystal Garden</li></ul>
Build capacity to reduce fossil fuel consumption and greenhouse gas emissions	<ul style="list-style-type: none"><li>• 3.3% decrease in corporate electricity consumption</li><li>• 6.9% decrease in corporate gas consumption</li><li>• 29 tonnes of cardboard and paper recovered</li><li>• 59,750 kg of plastic and metals recycled from City of Victoria facilities, including Victoria Conference Centre</li><li>• 1,000 tonnes of garden waste and 5,000 tonnes of dirt collected</li><li>• 1,295 tonnes of garbage collected from City operations</li><li>• 4,800 tonnes of waste collected from over 14,000 households</li><li>• 44,546,329 litres of total water consumption per day, compared to over 47 million in 2009</li><li>• 2,138 tonnes of recycled asphalt used, up from 1,773 in 2009</li><li>• Hosted "Compost Open House for Earth Day", with participation from 200 school children and 80 adults</li></ul>



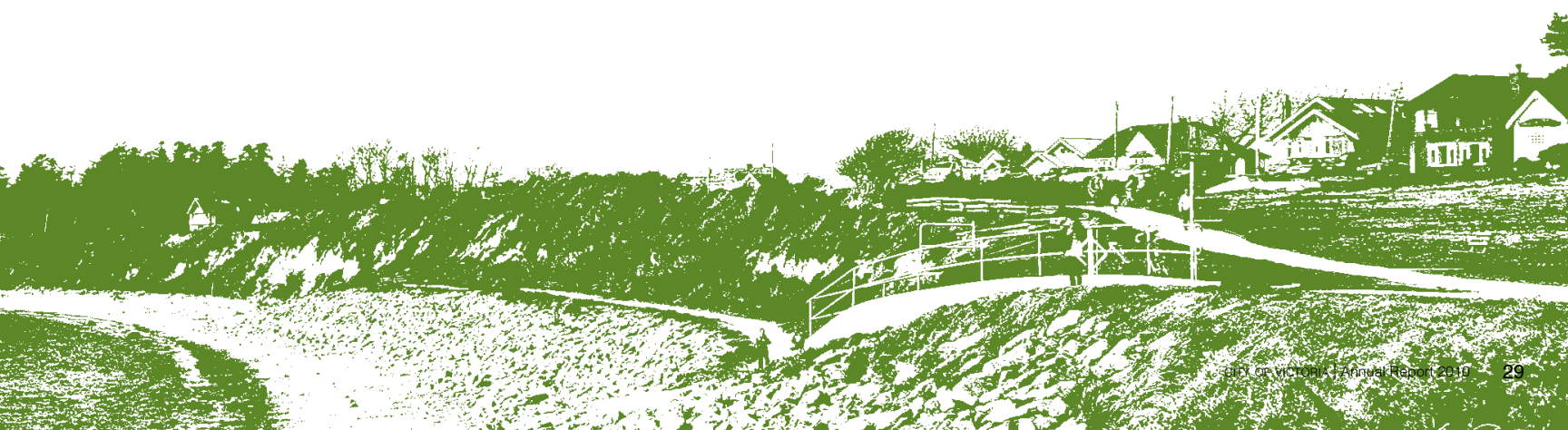




+



= a city for future generations







**VICTORIA**  
FIRE DEPARTMENT

L1



# Victoria Fire Department

The Victoria Fire Department is a dynamic, professional organization that has been serving the needs of the community since 1858. Our firefighters work as a team, using their highly developed skills and abilities to provide critical, life-saving services in moments of need.

## Fire Prevention and Response

In 2010, the Victoria Fire Department (VFD) responded to 410 fires, with no lives lost and \$36.1 million in property saved. The Department was able to confine 22 of 24 fires to the room of origin.

The VFD recognized Fire Prevention Week in October and invited residents to participate in the province-wide Community Fire Drill. The purpose of the annual drill is to ensure residents have working smoke alarms, know the sound of these alarms, and practise escape routes from their residence.

## 2010 By the Numbers

- 5,589 calls
- 86% of emergency incidents responded to in six minutes or less
- 35 second dispatch average (time it takes to dispatch a call)
- 3,348 properties inspected
- 940 properties re-inspected
- 128 fire drills
- 42 fire alarm tests
- 68 lectures
- 109 new construction inspections
- 58 underground oil tank removals

## Celebrating our History

Retired and active Department members of the Victoria Fire Department and its Honour Guard gathered for the unveiling of a plaque that recognizes the important role the Fire Department Headquarters played in providing fire protection to Victoria's downtown from 1899 to 1959. The Headquarters once stood where Centennial Fountain is today.

Another piece of Victoria's history was unveiled by the VFD in 2010. For three years, the Victoria Fire Department Historical Society worked tirelessly to restore a vintage, 1937 Chevrolet fire truck that once served the citizens of Victoria. During World War II, the Victoria Fire Department purchased the vehicle to train new fire fighters and for use as an auxiliary fire truck. A small pump, fire hose reel and tank were installed for fighting grass fires and other small, non-life threatening blazes. The restored Chevy will join the Historical Society's collection of antique fire apparatus, artifacts, photographs and documents that represent a valuable part of Victoria's history. The Victoria Fire Department Historical Society is dedicated to preserving its 150-year plus history of community service. Its membership includes active and retired Victoria fire fighters, as well as members of the community.

## 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."

In 2010, the Victoria Emergency Management Agency:

- Delivered 59 Emergency Preparedness talks with a total of 1,178 in attendance, up from 36 talks and 700 attendees in 2009
- Had approximately 95 active volunteers contributing to the greater good of the community
- Supported 80 City of Victoria staff in their Emergency Operations Centre roles
- Participated in 10 public display events
- Responded to 11 evacuee assistance incidents, directly helping 124 people in a time of need
- Formed and participated in the committee that brought BC the Great British Columbia ShakeOut
- Created an Urban Search and Rescue Team
- Provided Service Continuity Workshops to several community-based organizations



**VICTORIA**

**POL**



VI556



# Victoria Police Department

The Victoria Police Department is the oldest police department west of the Great Lakes, with 241 sworn members and over 100 civilian staff and volunteers proudly serving the City of Victoria.

In 2010, the Victoria Police Department (VicPD), the community, and other partners contributed to the following successes:

- 6.9% decrease in violent crime
- 10.6% reduction in property crime
- 26.5% reduction in public disorder calls
- Employee retention rate of over 95%

The City of Victoria's downtown is a vibrant, world-class destination and the center of business, commerce and entertainment for the entire South Island. In policing the downtown, VicPD is a regional and provincial leader regarding social issues such as drug addiction, homelessness and mental illness, and has formed innovative partnerships with other stakeholders who seek creative solutions to these issues. As such, VicPD continues to be a member of the successful Victoria Integrated Court, which serves the region's Assertive Community Treatment and the Victoria Integrated Community Outreach Team. Victoria Integrated Court gives the client a consistent judge, crown prosecutor, and team, who work towards the best interest of the community and client.

In addition to a commitment to social programming and partnerships, the VicPD Bike and Beat sections saw a re-organization this year, including re-doubled efforts to serve the business community in Victoria. Each member of the Beat and Bike teams were assigned sections and made personal contact with businesses, listening to their concerns and what was important to them.

This information was then incorporated into plans to deal with the common themes. This new deployment was a huge success for VicPD members and businesses in our community.

The Traffic and Patrol sections welcomed a new change to the *BC Motor Vehicle Act* that made it illegal to drive while using hand-held electronic devices. The creation of this legislation came from the B.C. Association of Chiefs of Police Traffic Safety Committee which is chaired by VicPD Chief Constable Jamie Graham.

VicPD's Strike Force and Street Crime Unit continued their outstanding work in 2010 with several high profile investigations. These teams work diligently to curb the influx of illegal weapons, drugs and other activity into our communities. With support from Combined Forces Special Enforcement Unit, VicPD Strike Force and Street Crimes units intercepted 90 pounds of marijuana prior to being shipped to the United States, among other successes.

Throughout 2010 numerous VicPD officers were honored for their brave, selfless and lifesaving actions in our community. Our officers received Medals of Bravery from the Governor General of Canada, Meritorious Service awards, and Medals of Valor. VicPD also hosted the inaugural Police Honours Ceremony, and handed out a number of Long Service and Exemplary Service awards. These awards formally recognize the members for their actions above and beyond the already outstanding service provided every day in our community.

In 2010 VicPD unveiled a new coat of arms and motto, "Honour Through Service", a proud reflection of the department's history. The crest includes a depiction of a crouching wolf, an important symbol of protection for the Coast Salish people, designed by Songhees artist Clarence (Butch) Dick. Also introduced in 2010, new Dodge Charger patrol cars provide the latest safety technology for officers, as well as a re-designed computer interface and updated vehicle technologies.

VicPD looks forward to continued use of technology and innovation in 2011, and will continue to form effective partnerships to deal with the myriad of social and policing issues our community is faced with on a daily basis.







CONSOLIDATED FINANCIAL STATEMENTS OF

The Corporation  
of the City of Victoria

Year Ended December 31, 2010

# 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 generally accepted accounting standards for local governments established 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, 2009

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.



  
President  
  
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, 2010, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

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

## Auditors' Responsibility

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

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

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

## Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Victoria as at December 31, 2010, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

April 28, 2011  
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, 2010, with comparative figures for 2009

	2010	2009
<b>Financial assets:</b>		
Cash and cash equivalents (NOTE 2)	\$ 87,648,837	\$ 85,514,725
Accounts receivable (NOTE 3)		
Taxes	3,423,099	3,954,250
Other	19,196,582	18,518,206
Long-term investments (NOTE 4)	18,101,667	18,152,053
Tax sale properties	5,070	522,588
Other assets	9,256	8,952
Restricted cash	748,498	1,111,632
	129,133,009	127,782,406
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (NOTE 5)	17,451,319	19,425,678
Deposits	5,896,485	5,985,242
Deferred revenue (NOTE 6)	9,914,965	10,041,357
Long-term debt (NOTE 7)	50,904,576	49,386,444
Employee future benefit obligations (NOTE 8)	11,831,522	11,756,021
	95,998,867	96,594,742
Net financial assets	33,134,142	31,187,664
<b>Non-financial assets:</b>		
Tangible capital assets (NOTE 9)	304,568,721	279,483,153
Inventory of supplies	814,082	857,157
Prepaid expenses and deposits	519,605	1,424,897
	305,902,408	281,765,207
<b>Accumulated surplus</b> (NOTE 10)	<b>\$ 339,036,550</b>	<b>\$ 312,952,871</b>
Commitments (NOTE 14)		
Contingent liabilities (NOTE 15)		

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, 2010, with comparative figures for 2009

	Budget	2010	2009
(UNAUDITED – NOTE 16)			
<b>Revenue:</b>			
Net taxes available for municipal purposes (NOTE 11)	\$ 104,652,638	\$ 104,198,999	\$ 98,147,106
Net grants in lieu of taxes available for municipal purposes	5,053,800	5,454,570	5,065,787
Sale of goods and services	36,738,039	35,797,503	36,326,041
Sale of water	15,855,595	14,173,874	14,592,045
Licences and permits	4,022,500	4,689,523	5,145,331
Fines	4,875,000	5,127,382	5,198,949
Rentals and leases	900,500	1,103,235	971,485
Other penalties and interest	1,940,000	3,943,060	3,071,717
Unconditional government transfers (NOTE 12)	2,670,000	1,292,714	4,058,206
Conditional government transfers (NOTE 12)	28,613,938	5,144,655	4,329,210
Actuarial adjustment on debt	–	1,277,164	1,584,008
Miscellaneous	4,541,384	5,994,365	6,037,003
Total revenue	209,863,394	188,197,044	184,526,888
<b>Expenses:</b>			
General government	27,946,619	36,606,290	32,583,853
Protective services	57,821,165	58,731,825	56,736,369
Transportation services	16,459,834	18,819,799	17,723,687
Environmental and public health services	6,125,724	6,267,852	6,122,125
Community planning	3,087,767	2,889,603	2,267,280
Parks recreation and community development	26,084,106	23,092,957	24,434,130
Water utility	12,506,137	12,736,318	11,215,971
Sewer utility	2,238,098	2,968,721	2,977,053
Total expenses	152,269,450	162,113,365	154,060,468
Annual surplus	57,593,944	26,083,679	30,466,420
Accumulated surplus, beginning of year	312,952,871	312,952,871	282,486,451
<b>Accumulated surplus, end of year</b>	<b>\$ 370,546,815</b>	<b>\$ 339,036,550</b>	<b>\$ 312,952,871</b>

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

# Statement of Change in Net Financial Assets

Year ended December 31, 2010, with comparative figures for 2009

	Budget	2010	2009
(UNAUDITED – NOTE 16)			
Annual surplus	\$ 57,593,944	\$ 26,083,679	\$ 30,466,420
Acquisition of tangible capital assets	(111,045,638)	(32,174,989)	(34,321,901)
Amortization of tangible capital assets	–	7,010,567	5,784,632
Loss (gain) on disposal of tangible capital assets	–	(321,254)	10,075
Proceeds on disposal of tangible capital assets	–	400,108	–
	(111,045,638)	(25,085,568)	(28,527,194)
Consumption (purchase) of inventory of supplies	–	43,075	(87,346)
Consumption (purchase) of prepaid expenses	–	905,292	(1,185,668)
	–	948,367	(1,273,014)
Change in net financial assets (net debt)	(53,451,694)	1,946,478	666,212
Net financial assets, beginning of year	31,187,664	31,187,664	30,521,452
<b>Net financial assets (net debt), end of year</b>	<b>\$ (22,264,030)</b>	<b>\$ 33,134,142</b>	<b>\$ 31,187,664</b>

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



# Statement of Cash Flows

Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 26,083,679	\$ 30,466,420
Items not involving cash:		
Amortization of tangible capital assets	7,010,567	5,784,632
Loss (gain) on disposal of tangible capital assets	(321,254)	10,075
Change in employee benefits and other liabilities	75,501	588,741
Actuarial adjustment on debt	(1,277,164)	(1,584,008)
Change in non-cash operating assets and liabilities:		
Accounts receivable	531,151	757,896
Property taxes receivable	(678,376)	(1,280,666)
Tax sale properties	517,518	(522,588)
Other financial assets	(304)	(643)
Restricted cash	363,134	(1,111,632)
Accounts payable and accrued liabilities	(1,974,359)	644,835
Deposits	(88,757)	(743,370)
Deferred revenue	(126,392)	4,078,264
Inventory of supplies	43,075	(87,346)
Prepaid expenses and deposits	905,292	(1,185,668)
	31,063,311	35,814,934
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(32,174,989)	(34,321,901)
Proceeds on disposal of tangible capital assets	400,108	–
	(31,774,881)	(34,321,901)
<b>Investing activities:</b>		
Decrease in investments	50,386	1,694,072
<b>Financing activities:</b>		
Debt issued and assumed	5,242,524	10,321,245
Debt repaid	(2,447,228)	(2,985,535)
	2,795,296	7,335,710
Increase in cash and cash equivalents	2,134,112	10,522,815
Cash and cash equivalents, beginning of year	85,514,725	74,991,910
<b>Cash and cash equivalents, end of year</b>	<b>\$ 87,648,837</b>	<b>\$ 85,514,725</b>

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

# Notes to Financial Statements

Year ended December 31, 2010

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 Corporation of the City of Victoria (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 13).

### (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) Investment income:

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

### (f) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

### (g) Investments:

Investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia (“MFA”) investment funds 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, 2010

## (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 that have not been purchased 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, 2010

## 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:

Cash and cash equivalents reported on the statement of financial position have cost and market values as follows:

	Cost	2010 Market	Cost	2009 Market
Cash and cash equivalents:				
Bank overdraft	\$ (209,097)	\$ (209,097)	\$ (255,721)	\$ (255,721)
Short-term deposits and investments	87,648,837	87,639,932	85,514,725	87,157,437
	<b>\$ 87,439,740</b>	<b>\$ 87,430,835</b>	<b>\$ 85,259,004</b>	<b>\$ 86,901,716</b>

Short-term deposits and investments have stated interest rates of 0.58% to 2.00% (2009 – 0.53% to 2.05%) with maturity dates to December 16, 2011. Included in cash equivalents are \$35,559,396 (2009 – \$40,315,451) in investments in MFA investment funds which are cashable on demand.



# Notes to Financial Statements

Year ended December 31, 2010

## 3. Accounts receivable:

Other accounts receivable are reported net of a valuation allowance of \$1,154,782 (2009 – \$1,316,472).

## 4. Investments:

Long-term investments reported on the statement of financial position have cost and market values as follows:

	<b>Cost</b>	<b>2010 Market</b>	<b>Cost</b>	<b>2009 Market</b>
Government and government guaranteed investments	\$ 18,101,667	\$ 18,153,176	\$ 18,152,053	\$ 18,181,675

Government and government guaranteed investments have stated interest rates of 2.00% to 5.69% (2009 – 2.05% to 5.69%) with various maturity dates to June 3, 2018.

## 5. Accounts payable and accrued liabilities:

	<b>2010</b>	<b>2009</b>
Trade accounts payable	\$ 10,405,988	\$ 12,708,979
Payroll accounts payable	3,937,280	1,870,136
Contract holdbacks	587,015	1,313,134
School authorities	908,682	862,041
Capital Regional District	460,797	524,320
Legal settlements	800,000	1,845,000
Integrated recreation	107,907	102,484
BC Transit	113,697	98,250
Regional Hospital District	102,583	75,695
BC Assessment Authority	27,370	25,639
	<b>\$ 17,451,319</b>	<b>\$ 19,425,678</b>

# Notes to Financial Statements

Year ended December 31, 2010

## 6. Deferred revenue:

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

	2010	2009
Miscellaneous	\$ 879,347	\$ 1,525,739
Building permit fees	838,666	2,208,723
Federal Gas Tax funds	2,896,008	2,017,789
Conference Centre deposits	127,365	118,213
Development cost charges	3,851,614	2,859,180
RG Properties leasing and naming rights	1,222,655	1,223,150
Unearned recreation fees	99,310	88,563
<b>Total deferred revenue</b>	<b>\$ 9,914,965</b>	<b>\$ 10,041,357</b>

### Schedule of Receipts and Disbursements of Gas Tax Agreement Funds

	2010	2009
Opening balance of unspent funds	\$ 2,017,789	\$ 370,192
Add:		
Amounts received during the year	2,147,986	5,039,042
Interest income restricted for projects	12,107	4,627
	2,160,093	5,043,669
Less amount spent on projects and recorded as revenue	(1,281,874)	(3,396,072)
	<b>\$ 2,896,008</b>	<b>\$ 2,017,789</b>

### Schedule of Development Cost Charges

	2010	2009
Opening balance of unspent funds	\$ 2,859,180	\$ 1,532,281
Add:		
Development cost charges received during year	975,280	1,317,601
Interest earned	17,154	19,155
	992,434	1,336,756
Less amount spent on projects and recorded as revenue	–	(9,857)
	<b>\$ 3,851,614</b>	<b>\$ 2,859,180</b>

There were no waivers and/or reductions in development cost charges during 2010 or 2009.

# Notes to Financial Statements

Year ended December 31, 2010

## 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 4.17% to 7.38%. The weighted average interest rate for 2010 was 4.64%.

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

	<b>Gross debt</b>	<b>Sinking Fund assets</b>	<b>Net debt 2010</b>	<b>Net debt 2009</b>
General Capital Fund	\$ 80,220,224	\$ 29,341,081	\$ 50,879,143	\$ 49,278,996
Sewer Utility Capital Fund	948,620	923,187	25,433	107,448
	<b>\$ 81,168,844</b>	<b>\$ 30,264,268</b>	<b>\$ 50,904,576</b>	<b>\$ 49,386,444</b>

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

	<b>General Capital Fund</b>	<b>Sewer Utility Capital Fund</b>	<b>Total</b>
2011	\$ 1,815,213	\$ 6,571	\$ 1,821,784
2012	1,815,213	6,571	1,821,784
2013	1,672,793	–	1,672,793
2014	1,672,793	–	1,672,793
2015	1,672,793	–	1,672,793

Scheduled debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$2,447,228 (2009 – \$2,985,535). Interest paid during the year was \$4,387,193 (2009 – \$4,170,120).



# Notes to Financial Statements

Year ended December 31, 2010

## 8. 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 2010	Police 2010	Total 2010	Total 2009
Employee benefit obligations:				
Vested benefits	\$ 2,880,387	\$ 4,460,752	\$ 7,341,139	\$ 7,418,243
Non-vested benefits	3,430,260	1,060,123	4,490,383	4,337,778
Accrued employee benefit obligation	6,310,647	5,520,875	11,831,522	11,756,021
Less funded amount	(4,080,798)	(2,379,158)	(6,459,956)	(5,982,345)
Unfunded employee benefit obligation	2,229,849	3,141,717	5,371,566	5,773,676
Less non-vested benefits	(3,430,260)	(1,060,126)	(4,490,386)	(4,337,778)
<b>Vested benefits to be funded from future revenue</b>	<b>\$ (1,200,411)</b>	<b>\$ 2,081,591</b>	<b>\$ 881,180</b>	<b>\$ 1,435,898</b>

Vested benefits represent the City's liability for future employee benefits including sick leave banks and various benefits upon retirement including lump sum retirement payments, death benefits, and certain vacation entitlements in the year of retirement which are contractually required to be paid to an employee independent of his or her future employment. Non-vested benefits represent the City's estimated liability for future costs related to benefits for employees that are conditional on his or her future employment.

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

	2010	2009
Accrued benefit obligation:		
Balance, beginning of year	\$ 11,756,021	\$ 11,167,280
Service cost	887,500	836,300
Interest cost	564,800	567,600
Benefits payments	(1,261,100)	(707,000)
Actuarial gain	(186,405)	(184,577)
Pension over contributions	70,706	76,418
<b>Accrued benefit liability, end of year</b>	<b>\$ 11,831,522</b>	<b>\$ 11,756,021</b>

The accrued benefit obligations and the net periodic benefit cost were estimated by actuarial valuation as of December 31, 2007. At December 31, 2010, the valuation was updated to reflect specific changes in the assumptions adopted in measuring the City's accrued employee benefit obligations.

# Notes to Financial Statements

Year ended December 31, 2010

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

	2010	2009
Discount rates	4.50 %	5.00 %
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, 2010 of \$11,613,138 and the accrued benefit liability of \$11,831,522 is pension over-contributions of \$218,384. There is an unamortized actuarial loss of \$125,761 at December 31, 2010 that is being amortized over a period equal to the employee's average remaining service lifetime of 11 years.

## 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 163,000 active members and approximately 60,000 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 \$8,196,088 (2009 – \$7,755,552) for employer contributions and City of Victoria employees paid \$6,091,332 (2009 – \$5,833,106) for employee contributions to the plan in fiscal 2010.

## 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. The City and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2007. At December 31, 2010, the total plan provision for approved and unreported claims was \$11,368,636 with a net surplus of \$963,472. The City paid \$240,530 (2009 – \$226,962) for employer contributions and City employees paid \$240,530 (2009 – \$226,962) for employee contributions to the plan in fiscal 2010.

# Notes to Financial Statements

Year ended December 31, 2010

## 9. 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 2010	Total 2009
<b>Cost:</b>										
Balance, beginning of year	\$ 127,609,826	\$ 78,720,313	\$ 34,089,918	\$ 72,764,225	\$ 31,983,150	\$ 11,143,841	\$ 8,583,848	\$ 15,267,495	\$ 380,162,616	\$ 343,139,153
Additions	4,779,028	3,949,235	6,813,694	6,471,558	2,893,875	295,055	994,889	9,863,439	36,060,773	34,321,901
Disposals	–	–	(326,054)	(308,739)	–	–	–	(3,885,784)	(4,520,577)	(520,390)
Balance, end 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	376,940,664
<b>Accumulated amortization:</b>										
Balance, beginning of year	4,702	27,857,103	22,303,472	37,771,596	5,978,641	4,564,064	2,199,885	–	100,679,463	92,183,194
Disposals	–	–	(326,054)	(229,885)	–	–	–	–	(555,939)	(510,315)
Amortization	14,976	1,867,682	2,691,293	1,858,709	366,756	120,338	90,813	–	7,010,567	5,784,632
Balance, end 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	97,457,511
<b>Net book value, end of year</b>	<b>\$ 132,369,176</b>	<b>\$ 52,944,763</b>	<b>\$ 15,908,847</b>	<b>\$ 39,526,624</b>	<b>\$ 28,531,628</b>	<b>\$ 6,754,494</b>	<b>\$ 7,288,039</b>	<b>\$ 21,245,150</b>	<b>\$ 304,568,721</b>	<b>\$ 279,483,153</b>



# Notes to Financial Statements

Year ended December 31, 2010

## 9. Tangible capital assets (CONTINUED):

### (a) Assets under construction

Assets under construction totalling \$21,245,150 (2009 – \$15,627,495) 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 2010 or 2009.

### (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 2010 or 2009.

## 10. Accumulated surplus:

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

	2010	2009
<b>Surplus:</b>		
Equity in tangible capital assets	\$ 253,664,145	\$ 230,096,709
Operating Fund	4,316,479	10,660,819
Unfunded employee benefit obligations	(5,371,566)	(5,773,676)
Total surplus	252,609,058	234,983,852
<b>Reserves:</b>		
Financial Stability Reserves	727,546	723,206
Equipment and Infrastructure Replacement Fund	44,813,477	34,569,485
Economic Development	707,454	703,235
Debt Reduction	7,494,270	8,693,830
Self Insurance	4,534,275	4,507,232
Working Capital Fund	3,696,065	3,674,021
Tax Sale Lands Fund	10,104,018	8,996,033
Parks and Greenways Acquisition Fund	2,009,287	1,849,518
Local Amenities	98,294	49,000
Affordable Housing	3,003,546	3,643,186
Fringe Benefit Rate Stabilization	787,982	683,879
Climate Action	187,411	–
Water Utility	335,929	2,992,970
Sewer Utility	7,179,440	5,771,792
Restricted cash	748,498	1,111,632
Total reserves	86,427,492	77,969,019
	<b>\$ 339,036,550</b>	<b>\$ 312,952,871</b>

# Notes to Financial Statements

Year ended December 31, 2010

## 11. Taxation:

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

	2010	2009
General taxation:		
Property and business taxes	\$ 176,835,282	\$ 166,825,253
Utility 1% tax	1,275,775	1,236,802
Special assessments:		
Boulevard frontage	586,832	588,508
Local improvement	1,071	1,071
Specified area improvement	129,053	149,644
Sewer frontage	643,082	578,111
Hotel tax:		
Tourism Victoria – Destination Marketing Commission	1,902,984	1,887,436
Victoria Conference Centre	556,389	541,234
	181,930,468	171,808,059
Less taxes levied for other authorities:		
Capital Regional District	11,691,049	11,183,154
School Authorities	51,055,235	49,782,093
Regional Hospital District	6,698,934	5,112,335
Municipal Finance Authority	4,589	4,405
BC Assessment Authority	1,666,043	1,583,430
BC Transit	5,721,682	5,133,457
Business Improvement Association	893,937	862,079
	77,731,469	73,660,953
<b>Total Taxes</b>	<b>\$ 104,198,999</b>	<b>\$ 98,147,106</b>

## 12. 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:

	2010	2009
Unconditional transfers from provincial government:		
Traffic fine revenue sharing	\$ 1,292,714	\$ 4,058,206
Conditional transfers:		
Jail	106,319	103,638
Gas Tax	1,281,874	3,396,072
Infrastructure grants:		
General capital	22,500	522,500
Sewer	10,000	10,000
Water	1,949,807	–
Cost sharing:		
General capital	1,774,155	297,000
	5,144,655	4,329,210
<b>Total revenue</b>	<b>\$ 6,437,369</b>	<b>\$ 8,387,416</b>

# Notes to Financial Statements

Year ended December 31, 2010

## 13. 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.

	2010	2009
Ross Bay Cemetery	\$ 797,169	\$ 804,127
Nature Interpretation Centre	568,271	564,923
Bastion Square Revitalization	217,837	223,040
	<b>\$ 1,583,277</b>	<b>\$ 1,592,090</b>

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.

## 14. 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 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, 2010, the project was in process and no borrowings had taken place in relation to the construction of the Johnson Street Bridge.

## 15. 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 \$4,534,275 (2009 – \$4,507,232) 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 these 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, 2010 there were contingent demand notes of \$1,832,522 (2009 – \$2,861,078) which are not included in the financial statements of the City.

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.

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# Notes to Financial Statements

Year ended December 31, 2010

## 15. Contingent liabilities (CONTINUED):

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.

During the year, the Federal Government of Canada entered into an agreement with the Capital Regional District to provide a financial contribution for the creation of new, permanent, safe, transitional and supportive housing. Subsequently, the Capital Regional District entered into a sub-project funding agreement in which \$1,200,000 was contributed to the City towards the purchase of two properties within the City. The agreement states that if the properties are not operated for their intended purpose or are sold and the proceeds of disposition are not applied to providing similar services then the City will be required to repay the contribution amount. The amount of the required repayment is dependent on the length of time that the intended purpose of the contribution is met and extends to March 31, 2026 at which point no further repayment is required.

## 16. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2010 operating and capital budgets approved by Council on April 15, 2010. 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	\$265,629,747
Capital budget	111,045,638
	376,675,385
Less:	
Transfers from other funds	(93,704,473)
Collections for other Governments	(73,107,518)
Total revenue	209,863,394
Expenses:	
Operating budget	265,629,747
Capital budget	111,045,638
	376,675,385
Less:	
Capital expenses	(111,045,638)
Transfer to other funds	(37,017,985)
Debt principal payments	(3,234,794)
Collections for other Governments	(73,107,518)
Total expenses	152,269,450
<b>Annual surplus</b>	<b>\$ 57,593,944</b>

## 17. 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.

# Notes to Financial Statements

Year ended December 31, 2010

## (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. As well, providing services around infrastructure, 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 three sections in the areas of Solid Waste Services, Storm Drains as well as Street Cleaning. 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 co-ordinates 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 the second largest conference facility in BC and plays a significant economic impact on the local economy.

## (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, 2010

## 17. Segmented information, CONTINUED:

2010	General Government	Protective Services	Transportation Services	Environmental and Public Health Services	Community Planning	Parks Recreation and Community Development	Water Utility	Sewer Utility	Total
<b>Revenue:</b>									
Taxation	\$ 35,611,120	\$ 45,057,287	\$ 4,919,057	\$ 7,596,973	\$ 2,446,380	\$ 13,444,641	\$ –	\$ 578,111	\$ 109,653,569
Goods and services	(587,507)	6,283,984	9,705,610	2,482,927	137	10,102,413	15,414,289	6,569,524	49,971,377
Government transfers	898,977	2,670,000	–	–	–	–	–	2,868,392	6,437,369
Other	12,338,001	215,666	9,029,756	–	224,097	141,356	159,259	26,594	22,134,729
Total revenue	48,260,591	54,226,937	23,654,423	10,079,900	2,670,614	23,688,410	15,573,548	10,042,621	188,197,044
<b>Expenses:</b>									
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
<b>Annual surplus (deficit)</b>	<b>\$ 11,654,301</b>	<b>\$ (4,504,888)</b>	<b>\$ 4,834,624</b>	<b>\$ 3,812,048</b>	<b>\$ (218,989)</b>	<b>\$ 595,453</b>	<b>\$ 2,837,230</b>	<b>\$ 7,073,900</b>	<b>\$ 26,083,679</b>



# Notes to Financial Statements

Year ended December 31, 2010

## 17. Segmented information, CONTINUED:

2009	Parks									Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health Services	Community Planning	Recreation and Community Development	Water Utility	Sewer Utility		
Revenue:										
Taxation	\$ 29,170,444	\$ 45,057,287	\$ 4,919,057	\$ 7,596,973	\$ 2,446,380	\$ 13,444,641	\$ –	\$ 578,111	\$ 103,212,893	
Goods and services	359,202	6,283,984	9,705,610	2,482,927	137	10,102,413	15,414,289	6,569,524	50,918,086	
Government transfers	2,849,024	2,670,000	–	–	–	–	–	2,868,392	8,387,416	
Other	12,211,765	215,666	9,029,756	–	224,097	141,356	159,259	26,594	22,008,493	
Total revenue	44,590,435	54,226,937	23,654,423	10,079,900	2,670,614	23,688,410	15,573,548	10,042,621	184,526,888	
Expenses:										
Salaries and wages	10,861,572	49,454,714	9,514,725	3,590,506	2,023,188	11,106,606	1,604,826	1,103,026	89,259,163	
Materials, supplies and services	5,087,450	4,635,015	7,321,541	2,036,176	184,385	8,676,667	8,378,427	490,168	36,809,829	
Interest and other	13,749,514	2,561,486	(1,126,212)	395,030	59,707	4,407,571	891,567	1,268,181	22,206,844	
Amortization	2,885,317	85,154	2,013,633	100,413	–	243,286	341,151	115,678	5,784,632	
Total expenses	32,583,853	56,736,369	17,723,687	6,122,125	2,267,280	24,434,130	11,215,971	2,977,053	154,060,468	
Annual surplus (deficit)	\$ 12,006,582	\$ (2,509,432)	\$ 5,930,736	\$ 3,957,775	\$ 403,334	\$ (745,720)	\$ 4,357,577	\$ 7,065,568	\$ 30,466,420	

## 18. Comparative figures:

Certain 2009 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

## STATISTICAL INFORMATION

# The Corporation of the City of Victoria

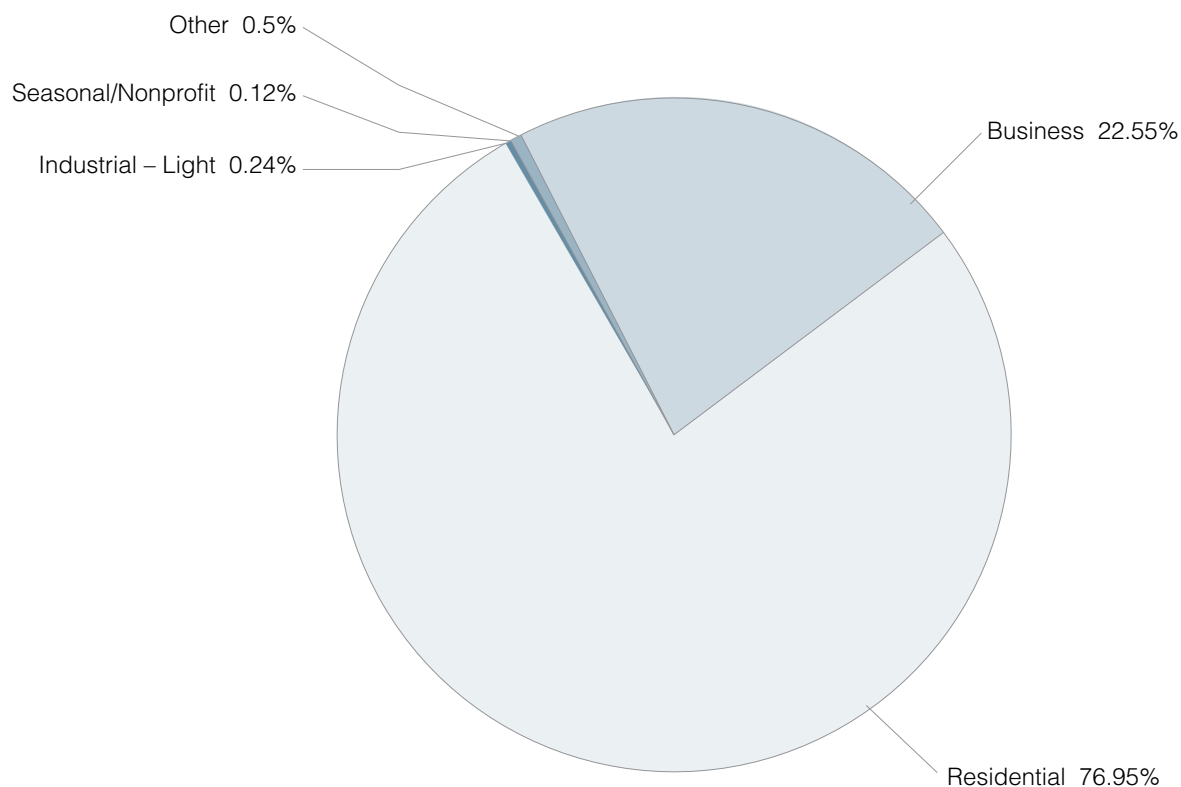
Year Ended December 31, 2010

## STATISTICAL INFORMATION

### Taxable Assessments of Land and Improvements 2006 – 2010 (IN MILLIONS)

Property Class	2006	2007	2008	2009	2010
Residential	\$ 9,174	\$ 10,863	\$ 12,269	\$ 12,524	\$ 13,002
Utilities	16	20	19	19	20
Industrial – Major	–	–	4	4	4
Industrial – Light	27	31	33	33	40
Business	2,773	3,208	3,636	3,645	3,811
Seasonal/Non-profit	17	19	21	19	20
	<b>\$ 12,007</b>	<b>\$ 14,141</b>	<b>\$ 15,982</b>	<b>\$ 16,244</b>	<b>\$ 16,898</b>

#### Assessment by Type





# STATISTICAL INFORMATION

## Property Tax Rates 2006–2010

	2006	2007	2008	2009	2010
<b>Municipal</b> (PER \$1000 ASSESSMENT)					
Residential	3.8864	3.5150	3.3428	3.5519	3.6581
Utilities	28.3141	32.4770	30.6915	33.0061	31.4411
Supportive Housing	0.0000	0.0000	0.0000	3.5519	3.6581
Industrial – Major	0.0000	0.0000	15.8396	13.0021	13.1471
Industrial – Light	18.4155	16.7611	15.8396	13.0021	13.1471
Business	14.2730	12.9908	12.2766	13.0021	13.1471
Seasonal	10.0077	9.5011	8.7390	9.6101	9.0819
<b>Total</b> – Including School, Region, etc. (PER \$1000 ASSESSMENT)					
Residential	7.0836	6.2885	5.9398	6.1859	6.3060
Utilities	48.7058	53.1079	50.6841	53.0236	50.8938
Supportive Housing	0.0000	0.0000	0.0000	4.3143	4.4263
Industrial – Major	0.0000	0.0000	29.0352	23.4468	23.4345
Industrial – Light	31.6671	28.3957	26.2509	23.1543	23.1281
Business	26.8227	23.9719	22.0409	22.9316	22.8481
Seasonal	15.8245	14.9719	13.8540	14.7573	13.8808
<b>Municipal Tax Billings by Property Class</b> (IN THOUSANDS)					
Residential	\$ 35,654	\$ 38,186	\$ 41,012	\$ 44,482	\$ 47,564
Utilities	466	634	578	623	631
Industrial – Major	–	–	69	48	54
Industrial – Light	493	516	519	431	527
Business	39,574	41,671	44,644	47,394	50,102
Seasonal	169	177	181	185	184
<b>Total</b>	<b>\$ 76,356</b>	<b>\$ 81,184</b>	<b>\$ 87,003</b>	<b>\$ 93,164</b>	<b>\$ 99,062</b>

## New Construction 2006–2010

	2006	2007	2008	2009	2010
Construction Permits	3,626	3,381	3,412	3,608	3,917
Construction Value (\$ MILLION)	\$ 230	\$ 281	\$ 178	\$ 319	\$ 140
Taxes Generated from New Growth	\$ 1,737,335	\$ 2,012,722	\$ 1,376,419	\$ 1,958,701	\$ 1,878,822

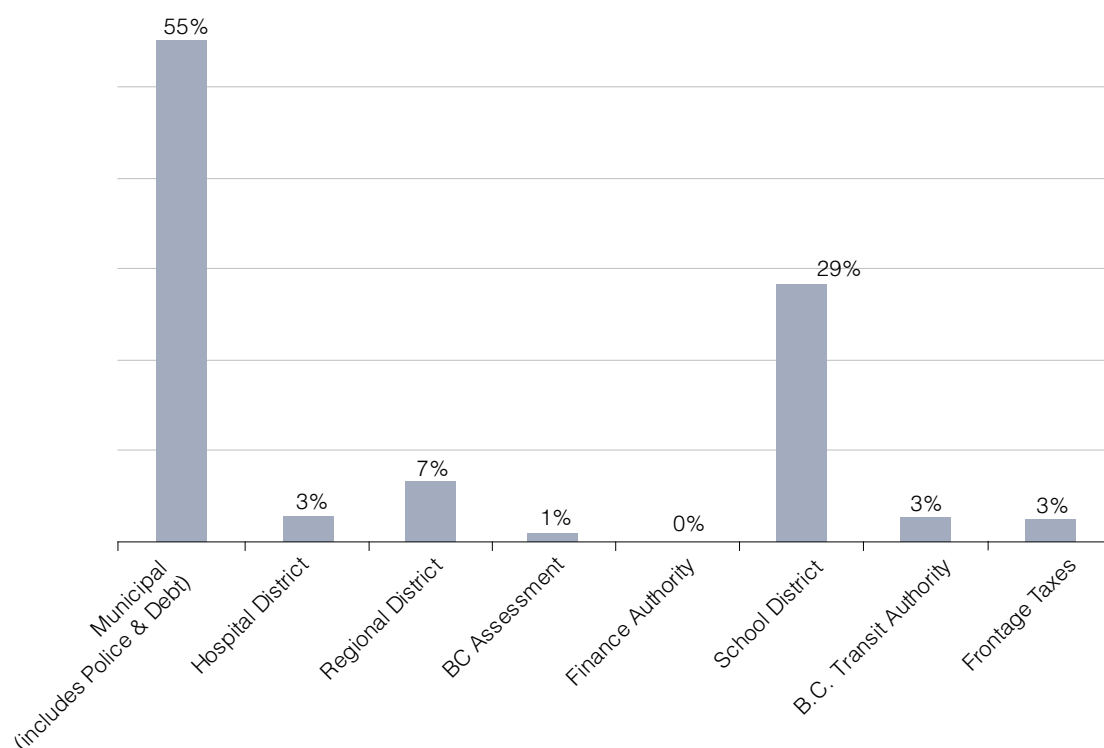
SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

## STATISTICAL INFORMATION

### Property Tax Levied and Collected 2006–2010 (IN THOUSANDS)

	2006	2007	2008	2009	2010
Municipal (incl Police and Debt)	\$ 76,356	\$ 81,184	\$ 87,001	\$ 93,164	\$ 99,061
Hospital District	3,649	3,904	4,459	5,112	5,197
Regional District	9,008	9,907	10,991	11,183	12,171
BC Assessment	1,523	1,490	1,503	1,583	1,615
Finance Authority	3	3	3	4	4
School District	48,285	48,122	48,106	49,782	51,055
B.C. Transit Authority	3,635	4,034	4,412	5,133	5,236
Frontage Taxes	2,093	2,130	2,159	3,416	4,488
	<b>\$ 144,552</b>	<b>\$ 150,774</b>	<b>\$ 158,634</b>	<b>\$ 169,379</b>	<b>\$ 178,828</b>
Total Current Taxes Levied	\$ 144,552	\$ 150,774	\$ 158,634	\$ 169,379	\$ 178,828
Current Taxes Collected	139,734	143,887	151,752	165,443	172,923
Percentage	96.67%	95.43%	95.66%	97.68%	96.70%
Outstanding at Beginning of Year	\$ 4,386	\$ 5,701	\$ 5,320	\$ 7,892	\$ 7,226
Arrears Collected	3,503	5,138	4,311	6,790	6,643
Percentage	79.87%	90.12%	81.03%	86.04%	91.93%
<b>Total Tax Collections</b>	<b>\$ 143,237</b>	<b>\$ 149,025</b>	<b>\$ 156,063</b>	<b>\$ 172,233</b>	<b>\$ 179,566</b>

### 2010 Taxes by Jurisdiction



# STATISTICAL INFORMATION

## 2010 Principal Corporate Tax Payers

Registered Owner	Primary Property	Taxes Levied
4239440 CANADA INC	Shopping Centre	\$ 4,026,484
HILLSIDE CENTRE HOLDINGS INC	Shopping Centre	3,149,475
TBC NOMINEE INC	Shopping Centre	2,207,126
LEGACY EMPRESS TITLE CORP	Hotel	1,546,786
COLUMBUS REAL ESTATE INC	Office Building	904,442
596961 BC LTD	Retail/Office Building	848,031
CANADIAN IMPERIAL BANK OF COMMERCE/ STANDARD LIFE ASSURANCE COMPANY	Retail/Office Building	797,678
PACIFIC SUN HOTEL INC	Hotel	783,501
SUSSEX PLACE EQUITIES LTD	Retail/Office Building	754,060
GREATER VICTORIA HARBOUR AUTHORITY	Waterfront/Retail	651,830
JAWL INVESTMENT CORPORATION	Office Building	619,453
VICTORIA DOWNTOWN HOTEL ESTATES LTD	Hotel	616,965
TELUS COMMUNICATIONS INC	Office Building	588,684
DELTA HOTELS NO 40 HOLDINGS LTD	Hotel	581,693
655 TYEE PROPERTY LTD	Office Building	580,072
GRAMPIAN HOLDINGS LTD	Retail/Office Building	565,608
WESTSIDE VILLAGE SHOPPING CENTER LTD	Shopping Centre	492,250
RUTH SINGER INVESTMENTS LTD	Shopping Centre	443,910
KANCO JAMES BAY PROPERTIES LTD	Shopping Centre/Retail	438,656
SARATOGA INVESTMENTS LTD	Retail/Office Building	435,034
JAWL HOLDINGS LTD	Office Building	417,673
WILSON KOOL LTD	Shopping Centre-Neighborhood	405,328
STANDARD LIFE ASSURANCE COMPANY OF CANADA IN TRUST	Retail/Office Building	397,554
PAUL'S RESTAURANTS LTD	Hotel	396,348
INVESTORS GROUP TRUST CO LTD	Office Building	386,786
SILVERBIRCH NO 44 HOLDINGS LTD	Hotel	382,847
ROYAL TRUST CORP OF CANADA	Stores/Offices	382,719
BC TRANSIT	Bus Depot	380,556
GILL-AM INVESTMENTS LTD	Office Building	372,980
WOTTRICH HOLDINGS LTD	Stores/Offices	372,848
		<b>\$ 24,927,374</b>



## STATISTICAL INFORMATION

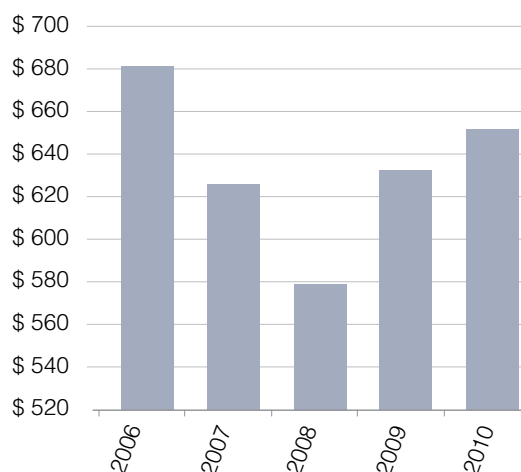
### Debenture Debt 2006–2010 (IN THOUSANDS)

	2006	2007	2008	2009	2010
Gross Outstanding Debt	\$ 88,152	\$ 88,729	\$ 82,329	\$ 90,769	\$ 81,169
Less: Sinking Fund Payments	39,291	43,528	38,694	41,382	30,264
<b>Net Debt</b>	<b>\$ 48,861</b>	<b>\$ 45,201</b>	<b>\$ 43,635</b>	<b>\$ 49,386</b>	<b>\$ 50,905</b>
General	\$ 48,409	\$ 44,942	\$ 43,457	\$ 49,279	\$ 50,880
Sewer	452	259	178	107	25
<b>Net Debt</b>	<b>\$ 48,861</b>	<b>\$ 45,201</b>	<b>\$ 43,635</b>	<b>\$ 49,386</b>	<b>\$ 50,905</b>
<b>Debt Servicing Costs</b>					
Property Tax Supported	\$ 7,373	\$ 6,107	\$ 6,071	\$ 7,024	\$ 6,723
Specified Area and Other	–	–	–	–	–
Sewer Utility	188	135	112	112	112
<b>Total Debt Servicing Costs</b>	<b>\$ 7,561</b>	<b>\$ 6,242</b>	<b>\$ 6,183</b>	<b>\$ 7,136</b>	<b>\$ 6,835</b>
Population	74,125	78,057	78,057	78,057	78,057
Net Debt per Capita	\$ 659	\$ 579	\$ 559	\$ 633	\$ 652
Debt Servicing per Capita	\$ 102	\$ 80	\$ 79	\$ 91	\$ 88
Debt Service as % of Expenses	5.20%	4.08%	4.29%	4.63%	4.22%
# of Households	39,595	44,783	44,783	44,783	44,783
Gross Debt Servicing Limit	\$ 36,435	\$ 39,637	\$ 41,840	\$ 43,951	\$ 44,696
Debt Capacity Available	\$ 28,496	\$ 33,224	\$ 34,664	\$ 36,117	\$ 37,759

### Consolidated Statement of Financial Position

Financial Assets	\$ –	\$ –	\$ 116,796	\$ 127,782	\$ 129,133
Financial Liabilities	–	–	86,275	96,595	95,999
<b>Net Financial Assets/(Net Debt)</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 30,521</b>	<b>\$ 31,188</b>	<b>\$ 33,134</b>

#### Per Capita Net Debt



# STATISTICAL INFORMATION

## Labour Force Activity 2006–2010

Labour Force Activity (IN THOUSANDS)

	2006	2007	2008	2009	2010
Unemployment Rate	3.7%	3.3%	3.3%	6.4%	6.3%
Number of City Employees	1,131	1,150	1,190	1,207	1,210

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

## Revenue and Expenses 2006–2010 (IN THOUSANDS)

Revenue	2006	2007	2008	2009	2010
Property Taxes	\$ 81,638	\$ 86,629	\$ 92,393	\$ 98,147	\$ 104,199
Payment In Lieu of Taxes	4,560	4,759	4,805	5,066	5,455
Sales of Services	29,855	33,062	35,297	36,326	35,798
Sale of Water	11,781	11,559	12,715	14,592	14,174
Licences and Permits	3,396	5,233	5,216	5,145	4,690
Fines	4,549	4,581	5,206	5,199	5,127
Rentals and Leases	898	1,050	979	971	1,103
Interest and Penalties	3,426	3,984	4,489	3,072	3,943
Unconditional Government Transfers	2,314	2,576	2,576	4,058	1,293
Other	7,864	10,914	8,253	7,621	7,272
Conditional Government Transfers	2,892	2,630	3,857	4,329	5,145
Gain on Sale of Capital Assets	–	–	–	–	–
	<b>\$ 153,173</b>	<b>\$ 166,979</b>	<b>\$ 175,784</b>	<b>\$ 184,527</b>	<b>\$ 188,197</b>

### Expenses by Function

General Government	\$ 26,171	\$ 22,049	\$ 25,178	\$ 28,613	\$ 36,606
Protective Services	49,341	52,903	54,007	56,736	58,732
Transportation Services	15,426	21,558	17,134	17,724	18,820
Environmental/Public Health	9,247	8,456	6,159	6,122	6,268
Community Planning	1,469	1,830	2,166	2,267	2,890
Parks Recreation and Cultural	30,246	32,049	28,281	28,405	23,093
Water Utility	9,903	10,396	9,488	11,216	12,736
Sewer Utility	3,652	3,641	1,722	2,977	2,969
	<b>\$ 145,456</b>	<b>\$ 152,881</b>	<b>\$ 144,135</b>	<b>\$ 154,060</b>	<b>\$ 162,113</b>

### Expenses by Object

Salaries Wages and Benefits	\$ 79,170	\$ 84,016	\$ 89,335	\$ 89,259	\$ 96,465
Materials Supplies and Services	48,576	48,724	32,414	36,810	37,638
Interest and Other	17,711	20,141	17,115	22,207	21,000
Amortization	–	–	5,271	5,785	7,011
	<b>\$ 145,456</b>	<b>\$ 152,881</b>	<b>\$ 144,135</b>	<b>\$ 154,060</b>	<b>\$ 162,113</b>

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

## STATISTICAL INFORMATION

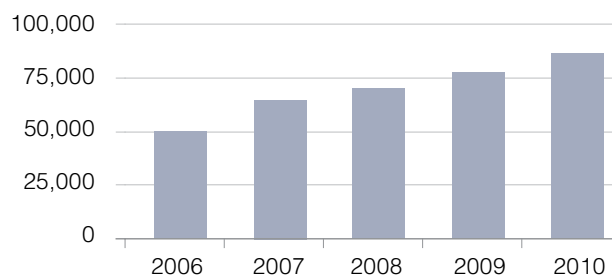
### Reserve Funds and Statement of Surplus 2006–2010 (IN THOUSANDS)

Description	2006	2007	2008	2009	2010
<b>Reserve Funds</b>					
Equipment and Infrastructure	\$ 22,407	\$ 28,813	\$ 30,140	\$ 34,569	\$ 44,813
Economic Development	2,943	3,296	695	703	707
Financial Stability	201	208	714	723	728
Debt Reduction	2,587	5,278	7,938	8,694	7,494
Self Insurance	4,176	4,322	4,452	4,507	4,534
Working Capital	3,404	3,523	3,629	3,674	3,696
Tax Sale Lands	8,060	7,907	8,196	8,996	10,104
Local Amenities	–	–	–	49	98
Parks and Greenways Acquisition	1,413	1,462	1,629	1,850	2,009
Affordable Housing	674	975	1,656	3,643	3,004
Fringe Benefit Rate Stabilization	351	463	577	684	788
Climate Action	–	–	–	–	187
Water Utility	3,147	6,403	7,211	2,993	336
Sewer utility	657	2,020	3,464	5,772	7,179
Restricted Cash	–	–	–	1,112	748
	<b>\$ 50,020</b>	<b>\$ 64,669</b>	<b>\$ 70,299</b>	<b>\$ 77,969</b>	<b>\$ 86,427</b>
<b>Statement of Unappropriated Surplus (Deficit)</b>					
General Operating Surplus	\$ 1,668	\$ 2,341	\$ 4,870	\$ 10,661	\$ 3,392
Water Operating Surplus	1,934	–	–	–	–
Sewer Operating Surplus	598	–	–	–	–
	<b>\$ 4,201</b>	<b>\$ 2,341</b>	<b>\$ 4,870</b>	<b>\$ 10,661</b>	<b>\$ 3,392</b>
<b>Reserves Plus Unappropriated Surplus</b>	<b>\$ 54,221</b>	<b>\$ 67,009</b>	<b>\$ 75,169</b>	<b>\$ 88,630</b>	<b>\$ 89,820</b>

### Consolidated Statement of Operations

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

#### Reserves





## STATISTICAL INFORMATION

## 2006–2010 Capital Expenditures and Funding Sources (IN THOUSANDS)

	2006	2007	2008	2009	2010
<b>Expenditures</b>					
Civic Facilities	\$ 5,416	\$ 7,731	\$ 10,871	\$ 3,828	\$ 9,281
Equipment	5,516	4,744	3,249	8,232	5,592
Streets	2,411	4,145	4,793	4,368	3,668
Transportation and Development	1,010	694	934	1,662	2,421
Civic Services	39	42	40	44	49
Storm Drains	2,650	1,699	1,750	2,767	2,013
Parks	1,192	900	1,253	1,291	2,209
Planning and Development	43	24	37	138	394
Shoreline Protection	2	9	–	–	15
Revitalization	33	28	36	237	282
Downtown Revitalization	148	149	570	1,722	332
Environmental Remediation	680	534	436	184	142
Water Utility	1,913	2,106	2,812	8,509	6,746
Sewer Utility	1,893	1,943	1,908	5,293	2,501
Victoria Conference Centre	757	174	217	408	41
	<b>\$ 23,704</b>	<b>\$ 24,920</b>	<b>\$ 28,906</b>	<b>\$ 38,681</b>	<b>\$ 35,686</b>
<b>Funding Sources</b>					
Capital Tax Levy	\$ 7,385	\$ 7,985	\$ 9,185	\$ 9,885	\$ 8,609
Connection Fees	274	259	214	242	194
Equipment & Infrastructure	5,752	5,002	3,840	5,324	6,013
Tax Sale Land Reserve	1,005	485	1,127	1,152	372
Development Cost Charges	–	–	–	10	–
Economic Development Reserve	–	–	3,000	–	–
Parks and Recreation Facility Reserve	–	–	–	41	98
Parking Reserve	–	–	–	4,327	1,889
Trust Funds	53	30	103	19	45
Grants and Partnerships	2,679	2,519	2,582	1,279	2,330
Gas Tax	–	1,595	1,250	3,680	1,282
Debt	633	1,626	1,338	739	4,609
Water Utility	1,913	2,106	2,812	8,509	6,746
Sewer Utility	1,893	1,943	1,908	2,150	2,501
Victoria Conference Centre	757	174	217	421	56
Police Equipment & Infrastructure	1,358	1,197	1,329	904	943
	<b>\$ 23,704</b>	<b>\$ 24,920</b>	<b>\$ 28,906</b>	<b>\$ 38,681</b>	<b>\$ 35,686</b>

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

# STATISTICAL INFORMATION

## 2010 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
5TH (BC) Field Regiment, RCA	\$	\$ 117	\$	\$ 117
Adair, Christopher	5,000			5,000
African Heritage Association of Vancouver Island (AHAVI)	3,000	282		3,282
Aids Vancouver Island	4,500			4,500
Anawim Companions Society			3,000	3,000
Anglican Synod of the Diocese of BC, The			66,856	66,856
Apostolic Trustees of Friars Minor			3,205	3,205
Art Gallery of Greater Victoria	14,000	6,584	51,169	71,753
Attractions Victoria	15,000			15,000
B Wilson Building			12,193	12,193
Ballet Victoria Society	2,500			2,500
BC Association of Seventh Day Adventists			2,325	2,325
BC Dom Operations Canadian Forces		580		580
BC Governing Council of the Salvation Army in Canada			4,832	4,832
BC Muslim Association			2,252	2,252
BC Produce Building			9,164	9,164
BC SPCA			27,004	27,004
Beacon Community Services	30,000		12,766	42,766
Belfry Theatre Society			25,992	25,992
Big Brothers Big Sisters of Victoria	7,500			7,500
Bishop Of Victoria			13,780	13,780
Blanshard Community Centre	52,916	179		53,095
Blue Bridge Repertory Theatre	2,500			2,500
Boys' and Girls' Club of Greater Victoria			21,666	21,666
Brainex Canada Ltd		292		292
Breuker, Ryan	5,000			5,000
British Columbia Healthy Communities-Victoria Youth Council	25,000			25,000
Burnside Gorge Community Association	62,560	491		63,051
Canadian Cancer Society			40,769	40,769
Canadian National Institute for the Blind			30,094	30,094
Canadian Pacific Lawn Bowling Club			28,335	28,335
Canadian Red Cross Society			42,689	42,689
Capital Festival Orchestra Society	5,000	1,000		6,000
Capital Mental Health Association			25,400	25,400
Casa Maria Emergency Housing Society			2,403	2,403
Centennial United Church			11,552	11,552
Central Baptist Church			26,058	26,058
Chinese Consolidated Benevolent Association		1,512	15,869	17,381
Christian and Missionary Alliance			2,579	2,579
Church of Latter Day Saints		164		164
Clare, Marion	5,000			5,000
Clover Point Anglers' Association			2,406	2,406
Community of Christ Inc			2,781	2,781
Community Social Planning Council	16,590			16,590
Compass Group Canada		147		147
Congregation Emanu-El		86		86
Cornerstone Christian Fellowship			2,163	2,163
Craigdarroch Castle Historical Museum Society			42,583	42,583

## STATISTICAL INFORMATION

## 2010 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
Cridge Centre for the Family	\$	\$	\$ 28,625	\$ 28,625
Cross' Meats Building			15,602	15,602
Crystal Meth Prevention Society of BC	6,400			6,400
CTVI Building			56,822	56,822
Curran, Stephanie and Christopher	5,000			5,000
Dart Coon Club		118		118
Deuces Northwest		3,367		3,367
Discovery School Society			1,998	1,998
Dockside Green Ltd			55,646	55,646
Downtown Residents' Association	2,310			2,310
Downtown Victoria Business Association		964		964
Earth Walk Committee		712		712
Emanuel Of Victoria Vancouver Island			1,244	1,244
Fairfield/Gonzales Community Association	5,000			5,000
Fairfield Activity Centre Society (New Horizons)	36,667			36,667
Fairfield Community Association	100,185	166		100,351
Fernwood Community Association	3,013		5,680	8,693
Fernwood Neighbourhood Resource Group Society	47,743	236	1,842	49,821
Fire Fighters Burn Fund Victoria			1,672	1,672
First Baptist Church			2,697	2,697
First Church of Christ Scientist			8,728	8,728
First Church of the Truth			3,533	3,533
First Open Heart Society of BC Inc			2,257	2,257
Foursquare Gospel Church of Canada			1,535	1,535
French, James and Adams, Dana	5,000			5,000
Girl Guides of Canada			5,837	5,837
Gizeh Shriners of BC		1,019		1,019
Glad Tidings Pentecostal Church			58,415	58,415
Glenlyon-Norfolk School Society			56,733	56,733
Go Rowing and Paddling Association of Canada		164	19,418	19,582
Good Shepherd Lutheran Church			2,207	2,207
Governing Council of the Salvation Army			48,375	48,375
Grace Evangelical Lutheran Church			10,753	10,753
Great Canadian Beer Festival Society		167		167
Greater Victoria Bike to Work Society	2,500			2,500
Greater Victoria Chamber of Commerce	50,000			50,000
Greater Victoria Citizens Counselling Centre			9,716	9,716
Greater Victoria Coalition to End Homelessness	100,000			100,000
Greater Victoria Compost Education Centre	15,530	94		15,624
Greater Victoria Festival Society	16,250	12,442		28,692
Greater Victoria Film Commission	45,000	24		45,024
Greater Victoria Housing Society	370,000			370,000
Greater Victoria Volunteer Society	11,439			11,439
Greater Victoria Women's Shelter Society			6,592	6,592
Gurdwara Singh Sabha Society of Victoria			4,677	4,677
Help Fill a Dream Foundation of Canada			707	707
Heritage Day – Veselka Ukrainian Dance Association	3,500			3,500
Impromaniacs Theatre Company Society	500			500



# Statistical Information

## 2010 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
India Canada Cultural Association	\$	\$ 395	\$	\$ 395
Innovative Communities.Org Foundation			4,141	4,141
Intercultural Association of Greater Victoria	12,500			12,500
Intrepid Theatre Company	18,000			18,000
Island Corridor Foundation			1,004	1,004
Island Equipment Owners' Association		6,535		6,535
Island String Players Society	1,500			1,500
James Bay Anglers' Association			671	671
James Bay Community Project	10,000			10,000
James Bay Community School Centre	51,770			51,770
James Bay Health and Community Services Society			26,895	26,895
James Bay New Horizons	55,903			55,903
John Howard Society of Victoria			2,572	2,572
Kalghidhar Shromani Society			4,323	4,323
Keystone Victoria Christian Ministries Inc			2,634	2,634
Khalsa Diwan Society of Victoria			4,184	4,184
Kiwanis Club of Victoria			6,680	6,680
Knights of Columbus		913		913
Laren House Society			3,643	3,643
Leiser Building			64,693	64,693
Lifecycles Project Society	7,500			7,500
Lions Society		187		187
MacLachlan, Douglas and Mary	5,000			5,000
Maharishi Age of Enlightenment School Society			2,090	2,090
Maritime Forces Pacific		1,181		1,181
Maritime Museum	20,000			20,000
Mcnamara, T and Muncaster, K	5,000			5,000
Mcpherson Playhouse Foundation			157,029	157,029
MediaNet	4,500			4,500
Multiple Sclerosis Society of Canada			28,608	28,608
Mustard Seed Street Church			4,268	4,268
Need – Crisis and Information Line	20,103			20,103
North Jubilee Neighbourhood Association	2,005			2,005
North Park Neighbourhood Association	2,090			2,090
Northwest Entertainment Foundation	4,500			4,500
Oak Bay Gospel Assembly			4,332	4,332
Oaklands Chapel		116	4,259	4,375
Oaklands Community Association	69,977	94		70,071
Oaklands Elementary School		303		303
Oasis Society for the Spiritual Health of Victoria	5,000			5,000
Open Space Arts Society			16,618	16,618
Our Place	145,000			145,000
Pacific Montessori Society		141		141
Pacifica Housing Advisory Association	519,500		33,761	553,261
Palladian, The			40,534	40,534
Parent Support Services Society of BC	1,100			1,100
Parkdale Evangelical Free Church			2,895	2,895
Passion for Tango Society	2,000			2,000

## STATISTICAL INFORMATION

## 2010 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
PEERS	\$	\$ 89	\$	\$ 89
Pentecostal Assemblies of Canada			3,569	3,569
Powell and Co Building			19,212	19,212
Power of Hope Society, The	1,500			1,500
President of Lethbridge Stake			7,020	7,020
Prior Building			62,887	62,887
Provincial Rental Housing Corporation	232,848			232,848
Puente Theatre Society	9,000			9,000
Recreation Integration Victoria	28,918			28,918
Renaissance Building			34,341	34,341
Rockland Community Association	2,220			2,220
Royal Roads University		70		70
Royal Victoria Yacht Club		3,075		3,075
Saint Sophia Parish of the Russian Orthodox Church			3,224	3,224
Scout Properties (BC/Yukon) Ltd			7,586	7,586
Shekinah Homes Society Inc			4,243	4,243
Sierra Club BC Foundation	2,500			2,500
Societe Francophone de Victoria, La	4,000			4,000
South Island Pride Community Centre Society	4,000			4,000
South Jubilee Neighbourhood Association	1,358	70		1,428
Sporthost	7,500			7,500
St John Ambulance	2,221			2,221
St Joseph's Hospital X Wing			23,467	23,467
St Vincent de Paul Society of Victoria			33,643	33,643
Suddenly Dance Theatre Society	3,500			3,500
Terry Fox Foundation		1,056		1,056
The Old Carriage House Parking Limited			8,138	8,138
Tibbitt, Reece	5,000			5,000
Times Colonist		644		644
TLC The Land Conservancy of BC			23,392	23,392
Tourism Victoria	47,500			47,500
Trustees of James Bay United Church			9,173	9,173
Trustees of Our Lords Church			14,504	14,504
Trustees of the Chinese Presbyterian Church			8,420	8,420
Trustees of the Congregation of Fairfield United Church			3,671	3,671
Trustees of the Congregation of St Andrew's Presbyterian Church			16,229	16,229
Trustees of the Congregation of the Jubilee Congregation of Jehovah's Witnesses			4,214	4,214
Trustees of the Congregation of the Open Door Spiritualist Church			1,707	1,707
Trustees of the Kingdom Hall of Jehovah's Witnesses			1,711	1,711
Trustees of the Religious Society of Friends			2,316	2,316
Ukrainian Catholic Eparchy of the New Westminster			945	945
United Church of Canada			24,103	24,103
United Way of Greater Victoria			16,577	16,577
Unity Church of Victoria			2,644	2,644
University of Victoria Native Student Union		1,270		1,270
Vancouver Island Addiction Recovery Society			1,350	1,350
Vancouver Island Association for the Physically Disabled			2,908	2,908

# STATISTICAL INFORMATION

## 2010 Grants

Organization	Grants	City In-Kind Services	Exemption from Property Taxes	Total
Vancouver Island Health Authority	\$	\$	\$ 59,766	\$ 59,766
VANOC		92		92
VicPD		284		284
Victoria Advanced Technology Council	22,500			22,500
Victoria AM Association	2,000			2,000
Victoria Association for Community Living			4,686	4,686
Victoria BC SKA Society	6,500	1,000		7,500
Victoria Brain Injury Society	1,239			1,239
Victoria Civic Heritage Trust	523,470			523,470
Victoria Community Micro Lending Society	10,000			10,000
Victoria Conservatory of Music	1,000		71,599	72,599
Victoria Cool Aid Society			5,824	5,824
Victoria Cool Aid Society – Aids Vancouver Island (Re Access Health)			19,076	19,076
Victoria Curling Club, The			45,594	45,594
Victoria Cycling Series		606		606
Victoria Dragon Boat Festival Society	10,000	4,889		14,889
Victoria Heritage Foundation	196,524			196,524
Victoria Highland Games Society	6,000	1,666		7,666
Victoria Hospitality Award Program	950			950
Victoria Immigrant & Refugee Centre Society	5,000			5,000
Victoria Independent Film and Video Festival Society	13,000			13,000
Victoria International Running Society		5,882		5,882
Victoria Jazz Society	18,000	4,339		22,339
Victoria Marathon Society		16,097		16,097
Victoria Meeting Rooms Holding Society			5,240	5,240
Victoria Multicultural Society	4,000			4,000
Victoria Native Friendship Centre			5,663	5,663
Victoria Pride Society	2,000	3,424		5,424
Victoria Shambhala Centre and Southside Christian Group			2,034	2,034
Victoria Silver Threads	43,908			43,908
Victoria Single Parent Resource Centre Society			7,034	7,034
Victoria Symphony Society	11,500	8,941		20,441
Victoria Theatre Guild and Dramatic School			18,695	18,695
Victoria Truth Centre Inc			27,228	27,228
Victoria West Community Association	35,149	116		35,265
Victoria West Community Y	5,000			5,000
Victoria Women In Need Community Co-Op			8,901	8,901
Victoria Women's Transition House Society			10,929	10,929
Victoria Youth Empowerment Society	17,000		16,776	33,776
Wilson Dalby/Mc and Mc Building			158,742	158,742
YESBC (Youth for Environment Stewardship)	2,000			2,000
YM/YWCA of Greater Victoria	48,924		97,354	146,278
Yue Shan Society		233		233
<b>Total</b>	<b>\$ 3,382,779</b>	<b>\$ 94,615</b>	<b>\$ 2,265,363</b>	<b>\$ 5,742,756</b>



# 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.



## Environmental Benefits Statement

By using paper made from 100% post-consumer recycled content, the following resources have been saved:



Trees: 15 fully grown



Solid waste: 199 kilograms



Water: 26,275 litres



Greenhouse gases: 697 kilograms



Energy: 6 million BTU

Environmental impact estimates were made using the Environmental Defense Paper Calculator.  
For more information visit: <http://papercalculator.org>

