

THE CORPORATION OF THE CITY OF VICTORIA
MANAGEMENT'S RESPONSIBILITY FOR THE 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 accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. A summary of the significant accounting policies are described in 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 BDO Canada LLP, independent external auditors appointed by the City. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the City's financial statements.

City Manager

Deputy City Manager/CFO



Government Finance Officers Association

**Canadian Award
for
Financial Reporting**

Presented to

**City of Victoria
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2021

Christopher P. Morrell
Executive Director/CEO

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF FINANCIAL POSITION

December 31	2022	2021
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 128,244,048	\$ 136,557,283
Accounts receivable		
Property taxes	3,047,594	2,166,692
Other	35,679,762	25,535,871
Portfolio investments (Note 3)	248,043,341	218,548,303
Mortgage receivable (Note 4)	1,012,458	981,257
Other assets	2,216	21,705
MFA debt reserve fund (Note 14)	1,310,667	1,349,379
	417,340,086	385,160,490
Liabilities		
Accounts payable and accrued liabilities	30,069,020	30,313,137
Deposits and prepayments	26,658,204	23,503,410
Deferred revenue (Note 5)	29,359,819	29,385,444
Long-term debt (Note 6)	54,066,383	59,482,153
Employee future benefit liability (Note 7)	19,423,527	19,191,232
	159,576,952	161,875,376
Net Financial Assets	257,763,134	223,285,114
Non-Financial Assets		
Tangible capital assets (Note 8)	641,709,643	616,148,752
Inventories of supplies	2,434,168	1,916,103
Deposits towards acquisition of tangible capital assets (Note 8(d))	3,400,000	3,400,000
Prepaid expenses and deposits	687,035	1,733,186
	648,230,847	623,198,041
Accumulated Surplus (Note 9)	\$ 905,993,980	\$ 846,483,155
Contingent liabilities (Note 14)		

On behalf of the City:

Deputy City Manager/CFO

Mayor

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

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF OPERATIONS

For the year ended December 31	Financial Plan 2022	2022	2021
	(Note 15)		
Revenues			
Taxation (Note 10)	157,896,270	157,914,112	150,472,908
Grants in lieu of taxes	7,071,800	7,359,111	7,070,215
Sale of goods and services	47,501,020	58,259,637	44,805,331
Sale of water	22,685,950	23,990,399	23,605,956
Licences and permits	7,056,020	9,705,751	11,124,413
Fines	3,660,000	4,559,778	3,950,315
Rentals and leases	1,877,750	2,038,200	2,225,954
Investment income	3,000,000	7,344,892	2,817,461
Other interest and penalties	668,460	1,084,725	1,080,814
Unconditional transfers (Note 11)	1,855,000	2,003,713	2,205,321
Conditional transfers (Note 11)	8,176,790	12,866,256	14,224,121
Actuarial adjustment on debt	-	1,496,813	1,349,519
Development Cost Charges	9,968,000	4,888,598	3,674,631
Miscellaneous (Note 12)	2,775,660	10,204,102	5,074,585
	274,192,720	303,716,088	273,681,544
Expenses			
General government	27,866,760	33,600,836	27,706,058
Protective services	84,993,360	88,214,747	81,829,648
Engineering and transportation services	24,858,180	34,041,014	31,325,197
Environmental and public health services	8,529,160	9,818,872	9,136,720
Social services and housing	3,189,660	4,013,771	3,441,119
Planning and development	16,866,690	20,889,134	12,869,026
Parks, recreation and cultural services	27,324,740	30,128,710	27,986,540
Water utility	16,795,950	17,840,908	17,645,275
Sewer utility	4,106,510	5,657,271	4,753,179
	214,531,010	244,205,263	216,692,762
Annual Surplus	59,661,710	59,510,825	56,988,782
Accumulated surplus, beginning of year	846,483,155	846,483,155	789,494,373
Accumulated Surplus, end of year	\$ 906,144,865	\$ 905,993,980	\$ 846,483,155

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	Financial Plan 2022 (Note 15)	2022	2021
Annual Surplus	\$ 59,661,710	\$ 59,510,825	\$ 56,988,782
Acquisition of tangible capital assets	(153,980,000)	(44,201,751)	(47,790,883)
Amortization of tangible capital assets	14,500,000	17,809,743	16,658,986
Gain on disposal of tangible capital assets		(5,672,482)	(50,138)
Proceeds on disposal of tangible capital assets		6,503,600	90,499
	(139,480,000)	(25,560,890)	(31,091,536)
Purchase of inventory of supplies	-	(518,065)	(183,875)
Net use of prepaid expenses and deposits	-	1,046,151	(838,189)
	-	528,085	(1,022,064)
Change in Net Financial Assets	(79,818,290)	34,478,020	24,875,182
Net Financial Assets, Beginning of Year	223,285,114	223,285,114	198,409,932
Net Financial Assets, End of Year	\$ 143,466,824	\$ 257,763,134	\$ 223,285,114

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE CITY OF VICTORIA
STATEMENT OF CASH FLOWS

For the year ended December 31	2022	2021
Cash provided by (used in):		
Operating Transactions:		
Annual Surplus	\$ 59,510,825	\$ 56,988,782
Items not involving cash:		
Amortization of tangible capital assets	17,809,743	16,658,986
Gain on disposal of tangible capital assets	(5,672,482)	(50,138)
Change in employee benefits and other liabilities	232,295	667,050
Actuarial adjustment on debt	(1,496,813)	(1,349,518)
Change in non-cash operating assets and liabilities:		
Accounts receivable other	(10,143,891)	(818,121)
Property taxes receivable	(880,902)	712,700
Mortgage receivable	(31,201)	(30,329)
Other assets	19,489	(10,853)
MFA debt reserve fund	38,712	(22,568)
Accounts payable and accrued liabilities	(244,117)	1,109,179
Deposits and prepayments	3,154,794	2,800,690
Deferred revenue	(25,625)	1,546,306
Inventory of supplies	(518,065)	(183,875)
Prepaid expenses and deposits	1,046,151	(838,188)
	<u>62,798,908</u>	<u>77,180,100</u>
Capital Transactions:		
Acquisition of tangible capital assets	(44,201,751)	(47,790,883)
Deposits towards future asset purchase	-	-
Proceeds on disposal of tangible capital assets	6,503,600	90,499
	<u>(37,698,151)</u>	<u>(47,700,384)</u>
Investing Transactions:		
Net increase in portfolio investments	<u>(29,495,038)</u>	<u>(47,703,308)</u>
Financing Transactions:		
Debt issued	-	2,140,000
Debt repayments	(3,918,954)	(3,823,847)
	<u>(3,918,954)</u>	<u>(1,683,847)</u>
Decrease in Cash and Cash Equivalents	(8,313,235)	(19,907,439)
Cash and Cash Equivalents, beginning of year	136,557,283	156,464,722
Cash and Cash Equivalents, end of year	\$ 128,244,048	\$ 136,557,283

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

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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: protective services, transportation services, environmental and public health services, social services and housing, planning and development, parks, recreation and cultural services, water utility, sewer utility and other general government operations.

The financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board. Significant accounting policies adopted by the City are as follows:

1. Significant Accounting Policies

(a) Reporting Entity

The financial statements include 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.

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 accounted for 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 the transfers are authorized and any eligibility criteria have been met, except when and to the extent that stipulations exist that give rise to an obligation that meets the definition of a liability for the City. Transfers received that meet the definition of a liability are initially recorded as deferred revenue and subsequently recognized in the periods that the stipulations that give rise to a liability are settled.

(d) Deferred Revenue

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 or the services are performed. Building permit fees are recognized individually as inspections are performed.

(e) Deposits and Prepayments

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

(f) Taxation Revenue

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Through the British Columbia Assessment Authority's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded.

(g) Investment Income

Investment income is reported as revenue in the period earned. When required by the funding agreement, investment income earned on deferred revenue is deferred and forms part of the deferred revenue balance.

(h) Cash and Cash Equivalents

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

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. Significant Accounting Policies (continued)

(i) Debt

Long-term debt is recorded net of related sinking fund balances and actuarial earnings thereon.

(j) Employee Future Benefits

- (i) The City and its employees make contributions to the Greater Victoria Labour Relations Association and Canadian Union of Public Employees (GVLRA - CUPE) Long Term Disability Trust and Municipal Pension Plan. As these are multi-employer pension plans, contributions are expensed as incurred.
- (ii) Sick leave and certain retirement benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on years of 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.

(k) Non-Financial Assets

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

(i) Tangible Capital Assets

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

	Useful life in years
Land improvements	15-20
Buildings	20-50
Furniture, equipment, technology and motor vehicles	5-25
Roads, bridges, and highways	10-80
Water infrastructure	20-125
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. Assets under construction are not amortized until the asset is available for service. The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(ii) Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue. Where an estimate of fair value can not be made, the tangible capital asset is recorded at a nominal value.

(iii) Natural Resources

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

(iv) Works of Art and Cultural and Historic Assets

Works of art and cultural and historical assets are not recognized as assets in the financial statements.

(v) Leased Tangible Capital Assets

Leases that 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.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. Significant Accounting Policies (continued)

(vi) Inventories of Supplies

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

(l) Use of Estimates

The preparation of financial statements 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 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.

(m) Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the City is directly responsible or accepts responsibility;
- (iv) it is expected future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is recognized as management's best estimate of the cost of remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. No liability for contaminated sites exists as at December 31, 2021 or 2022.

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THE CORPORATION OF THE CITY OF VICTORIA**NOTES TO FINANCIAL STATEMENTS**

December 31, 2022

2. Cash & Cash Equivalents

	2022	2021
Cash	\$ 106,734,187	\$ 74,500,729
MFA Money Market Funds	21,509,861	62,056,554
	<u>\$ 128,244,048</u>	<u>\$ 136,557,283</u>

3. Portfolio Investments:

	2022	2021
MFA Pooled Bond Funds	\$ 87,028,547	\$ 66,548,303
Term deposits	161,014,795	152,000,000
	<u>\$ 248,043,341</u>	<u>\$ 218,548,303</u>

The Term Deposits held at December 31, 2022 have yields of 0.86% to 5.65% (2021 - 0.50% to 1.25%) and maturity dates to December 29, 2023. The MFA pooled bond funds have varying returns and yields, and are intended to be held for two to five years. The City's investments are carried at cost.

4. Mortgage Receivable

	2022	2021
Mortgage receivable	\$ 1,012,458	\$ 981,257

In 2011, the Federal Government of Canada entered into an agreement with the Capital Regional District to provide a financial contribution for 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. The term over which the repayment requirement is met extends to March 31, 2026, at which point no further repayment is required.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

4. Mortgage Receivable (continued)

In 2013, one of the properties was purchased by Provincial Rental Housing Corporation. In 2015, the remaining property was purchased by a not-for-profit housing society and a mortgage of \$1,300,000 was issued by the City. The mortgage bears no interest and is secured by the property. Payment is not due until the mortgage matures on September 15, 2029. The mortgage is guaranteed by BC Housing Management Commission. Therefore, if the not-for-profit defaults on the terms of the loan, BC Housing Management Commission assumes responsibility for the loan repayment. The balance represents the present value of the payment using the City's estimated cost of borrowing.

Both of these purchase arrangements transferred the funding repayment obligations to the purchaser for each respective property.

5. Deferred Revenue

	2021	Amounts Received	Interest Earned	Recognized as Revenue	2022
Deferred Revenue	\$ 2,618,740	\$ 5,507,513	\$ -	\$ (5,652,511)	\$ 2,473,743
Building Permit Fees	5,604,628	5,354,101	-	(3,966,929)	6,991,801
Development Cost Charges	21,162,074	3,130,073	490,729	(4,888,598)	19,894,275
	<u>\$ 29,385,443</u>	<u>\$ 13,991,686</u>	<u>\$ 490,729</u>	<u>\$ (14,508,039)</u>	<u>\$ 29,359,819</u>

Draft

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

6. Long-Term Debt

	2022	2021
Equipment financing loans (a)	\$ 2,369,094	\$ 3,132,092
Long term borrowing (b)	51,697,289	56,350,061
	\$ 54,066,383	\$ 59,482,153

(a) Equipment financing Loans

The MFA has established an equipment financing program that replaced the former leasing program. Loans under the equipment financing program are available to both regional districts and municipalities under section 175 of the Community Charter, and are direct obligations of the entity requesting funding. In the case of a municipality, it does not have to seek consent of its regional district to obtain an equipment financing loan. The maximum length of an equipment financing loan agreement is five years. Interest rates are based on the Canadian Dollar Offered Rate and the loans have fixed monthly payments with the interest portion calculated on the last day of the month.

(i) Equipment financing loans are as follows:

MFA Loan No. - Council Resolution	Gross debt	Principal repaid	Equipment loan payable 2022	Equipment loan payable 2021
0001-0 - 2/28/2019	\$ 1,860,000	\$ 915,082	\$ 944,918	\$ 1,306,444
0002-0 - 2/28/2019	2,140,000	715,823	1,424,177	1,825,648
	\$ 4,000,000	\$ 1,630,905	\$ 2,369,095	\$ 3,132,092

(ii) Future estimated payments over the next four years are as follows:

	Principal repayment from the General Capital Fund	Interest payment	Total
2023	\$ 724,229	\$ 100,343	\$ 824,572
2024	760,246	64,326	824,573
2025	646,826	26,635	673,461
2026	237,795	2,463	240,258
	\$ 2,369,095	\$ 193,767	\$ 2,562,864

(iii) Principal paid during the year was \$762,997 (2021 - \$686,887). Interest paid during the year was \$61,575 (2021 - \$28,192).

(b) Long-term Borrowing

The City issues debt instruments through the MFA, pursuant to security issuing bylaws under authority of the Local Government Act, 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 1.28% to 3.89%. The weighted average interest rate for 2022 was 2.70% (2021 - 2.86%).

THE CORPORATION OF THE CITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

6. Long-Term Debt (continued)

(i) Gross amount of debt and the repayment and actuarial earnings to retire the debt are as follows:

	Year of Maturity	Rate	Gross debt	Repayment & actuarial earnings	Net debt 2022	Net debt 2021
Issue 79	2033	2.25%	\$ 10,000,000	\$ 4,729,418	\$ 5,270,582	\$ 5,643,283
Issue 80	2033	2.85%	10,000,000	4,652,599	5,347,401	5,714,048
Issue 81	2034	2.85%	10,000,000	4,381,079	5,618,921	5,975,859
Issue 102	2022	2.25%	4,509,000	4,509,000	-	376,405
Issue 103	2023	2.65%	1,800,000	1,689,743	110,257	264,070
Issue 105	2024	2.25%	5,240,015	4,451,724	788,291	1,216,956
Issue 110	2025	4.50%	5,200,000	4,008,098	1,191,902	1,604,051
Issue 115	2031	3.89%	10,200,000	4,645,947	5,554,053	6,061,502
Issue 130	2034	3.00%	23,200,000	7,240,136	15,959,864	16,993,865
Issue 139	2036	2.10%	5,500,000	1,333,462	4,166,538	4,405,521
Issue 142	2037	3.15%	9,600,000	1,910,517	7,689,483	8,094,501
			\$ 95,249,015	\$ 43,551,726	\$ 51,697,289	\$ 56,350,061

(ii) Future aggregate payments of net outstanding debenture debt, including sinking fund payments, over the next five years and thereafter are as follows:

	Principal repayment from the General Capital Fund	Actuarial Earnings	Total
2023	\$ 2,950,516	\$ 1,431,746	\$ 4,382,262
2024	2,881,130	1,516,513	4,397,643
2025	2,640,743	1,463,765	4,104,508
2026	2,383,733	1,426,351	3,810,084
2027	2,406,728	1,560,911	3,967,639
Thereafter	16,433,232	14,601,921	31,035,153
	\$ 29,696,082	\$ 22,001,207	\$ 51,697,289

(iii) Scheduled debt repayments may be suspended at the MFA's option in the event of excess sinking fund earnings. Principal paid during the year was \$3,155,961 (2021 - \$3,136,960). Interest paid during the year was \$2,454,986 (2021 - \$2,497,306).

7. Employee Future Benefit Liability

Information about liabilities for the City's employee benefit obligations is as follows:

	2022	2021
Accrued benefit obligations:		
Balance, beginning of year	\$ 19,475,700	\$ 20,764,900
Service cost	1,487,300	1,616,200
Interest cost	502,300	387,400
Benefit payments	(1,804,900)	(1,970,900)
Immediate recognition loss (gain) for event driven liabilities	(41,700)	75,800
Actuarial gain	(2,841,900)	(749,200)
Plan amendment	2,073,400	(648,500)
Accrued benefit obligation, end of year	18,850,200	19,475,700
Less: unamortized net actuarial gain/(loss)	-	(829,079)
Add: pension over contributions due to staff	573,327	544,611
Employee future benefit liability, end of year	\$ 19,423,527	\$ 19,191,232

The plan amendment is related to the CUPE plan where changes to the post employment benefits offered resulted in an increase to the City's obligations. The main item is the change to Personal, Emergency, and Family Leave where more flexibility in utilization is provided to the employees. The cost of plan amendments related to prior employee service is accounted for as an expense in the period of the amendment. Any unamortized gains or losses are immediately recognized to the maximum of the prior period service cost.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

7. Employee Future Benefit Liability (continued)

The accrued benefit obligations and the benefit costs for the year were estimated by actuarial valuation as of December 31, 2022 by an independent actuarial firm. Key estimates used in the valuation include the following:

	2022	2021
Discount rates	4.40%	2.40%
Expected future inflation rates	2.25%	2.25%
Expected wage and salary increases	2.33 to 4.38%	2.33 to 4.38%
Estimated average remaining service life of employees	13 years	13 years

The benefit liabilities include both vested and non-vested amounts as follows:

	City	Police	2022	2021
Vested benefits	\$ 4,746,525	\$ 8,149,702	\$ 12,896,227	\$ 13,844,632
Non-vested benefits	5,450,307	1,076,993	6,527,300	5,346,600
Total employee future benefit liability	\$ 10,196,832	\$ 9,226,695	\$ 19,423,527	\$ 19,191,232

Vested benefits include lump sum retirement payments, death benefits, and certain sick leave and vacation in year of retirement. Vested benefits are contractually required to be paid to an employee regardless of their future employment. Non-vested benefits include long-service leave, personal leave program and certain leave programs. Non-vested benefits are conditional upon future employment.

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, 2020 with an extrapolation prepared by the actuary as at December 31, 2021. At December 31, 2021, the total plan provision for approved claims was \$23,012,000 and the provision for unreported claims was \$1,703,000 with an accumulated surplus of \$1,664,646. The total plan provision for approved and unreported claims and net surplus/deficit at December 31, 2022 will be available later in 2023. The City paid \$687,114 (2021 – \$601,501) for employer contributions and City employees paid \$653,474 (2021 – \$580,966) for employee contributions to the plan in fiscal 2022.

Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

7. Employee Future Benefit Liability - Municipal Pension Plan (continued)

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of the funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$12,411,219 (2021 - \$12,797,539) for employer contributions while City of Victoria employees paid \$10,288,176 (2021 - \$10,123,697) for the Plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

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THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

8. Tangible Capital Assets

	Land & Improvements	Buildings	Furniture, equipment, technology, vehicles	Roads, bridges, highways	Water infrastructure	Sewer infrastructure	Drainage infrastructure	Assets under construction	2022 Total	2021 Total
Cost beginning of year	\$ 159,699,116	\$ 121,277,684	\$ 95,112,269	\$ 262,620,744	\$ 87,625,234	\$ 44,855,131	\$ 40,126,625	\$ 33,445,429	\$ 844,762,232	\$ 797,512,812
Additions	4,156,636	1,029,010	4,062,032	10,217,704	3,631,769	2,814,442	1,123,822	18,616,741	45,652,157	48,855,928
Disposals	(1,076,429)	-	(110,467)	-	-	-	-	(1,471,197)	(2,658,093)	(1,606,508)
Transfer of completed assets previously under construction	10,448,366	730,062	2,165,467	18,128,582	1,908,277	465,016	4,849,264	(38,695,034)	-	-
Cost end of year	173,227,689	123,036,756	101,229,301	290,967,030	93,165,280	48,134,590	46,099,711	11,895,939	887,756,296	844,762,232
Accumulated amortization beginning of year	(1,004,104)	(58,035,938)	(70,418,197)	(73,731,485)	(13,192,484)	(7,540,981)	(4,690,291)	-	(228,613,480)	(212,455,596)
Disposals	-	-	110,467	-	-	-	-	-	110,467	501,102
Amortization	(234,376)	(3,251,093)	(5,745,043)	(6,377,778)	(970,523)	(512,588)	(452,240)	-	(17,543,641)	(16,658,986)
Accumulated amortization end of year	(1,238,480)	(61,287,031)	(76,052,773)	(80,109,263)	(14,163,007)	(8,053,569)	(5,142,531)	-	(246,046,653)	(228,613,480)
Net Book Value, end of year	\$ 171,989,209	\$ 61,749,725	\$ 25,176,528	\$ 210,857,767	\$ 79,002,273	\$ 40,081,021	\$ 40,957,180	\$ 11,895,939	\$ 641,709,643	\$ 616,148,752
Net Book Value, beginning of year	\$ 158,695,012	\$ 63,241,746	\$ 24,694,072	\$ 188,889,259	\$ 74,432,750	\$ 37,314,150	\$ 35,436,334	\$ 33,445,429	\$ 616,148,752	\$ 585,057,216

a) Work in Progress

Assets under construction having a value of \$11,895,939 (2021 - \$33,445,429) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed Assets

No contributed assets have been recognized during 2022 or 2021.

c) Write-down of Tangible Capital Assets

No write-down of tangible capital assets occurred during 2022 or 2021.

d) Deposits towards acquisition of tangible capital assets

The City has entered into a contractual arrangement for future acquisition of a building. The total cost to the City of this arrangement is \$35,377,443 towards which the City has paid a deposit of \$3,400,000. The remaining obligation to the City is \$31,977,443 and is expected to be paid in 2023 when the acquisition is scheduled to complete.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

9. Accumulated Surplus

Accumulated surplus consists of individual fund surplus as follows:

	2022	2021
Surplus		
Equity in tangible capital assets	\$ 587,643,259	\$ 556,533,549
Operating Fund	1,673,877	4,838,270
Unfunded employee benefit obligation	(4,604,158)	(4,857,893)
	584,712,979	556,513,926
Non-Statutory Reserve Accounts		
Development Stabilization Reserve	17,374,828	14,718,402
COVID-19 Safe Restart Grant Reserve Account	-	1,740,000
Reserves		
Financial Stability Reserves	84,492,353	77,984,249
Equipment & Infrastructure Replacement Fund	194,292,278	179,329,833
Tax Sale Lands Fund	8,403,007	3,302,195
Parks and Greenways Acquisition Fund	2,238,797	1,465,128
Local Amenities	2,128,550	1,237,520
Victoria Housing Fund	7,599,116	6,925,668
Climate Action	3,001,618	2,108,457
Art in Public Places	1,027,481	896,028
Downtown Core and Public Realm Improvements	661,335	228,428
Park Furnishing Dedication Program	61,636	33,323
	303,906,173	273,510,829
Total Accumulated Surplus	\$ 905,993,980	\$ 846,483,155

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

10. Taxation

Taxation revenue, reported on the statement of operations is made up of the following

	Financial Plan 2022	2022	2021
General taxation:			
General municipal purposes	\$ 155,147,070	\$ 155,147,521	\$ 147,670,463
Utility 1% tax	1,344,000	1,294,771	1,330,490
Special assessments:			
Boulevard frontage	535,200	532,241	533,319
Specified area improvement	81,000	143,717	143,152
Sewer frontage	789,000	795,861	795,484
Total taxes available for municipal purposes	\$ 157,896,270	\$ 157,914,112	\$ 150,472,909

11. Government grants and transfers

	Financial Plan 2022	2022	2021
Unconditional Transfers:			
Traffic fine revenue sharing	\$ 1,855,000	\$ 2,003,713	\$ 2,205,321
Conditional Transfers:			
Federal	7,371,790	8,418,689	9,593,821
Provincial	703,500	4,270,620	4,630,300
Other agencies	101,500	176,947	-
	\$ 8,176,790	\$ 12,866,256	\$ 14,224,121

The Traffic Fine Revenue Sharing program is an unconditional grant from the Province of British Columbia provided to municipalities to assist in ensuring community safety and addressing community specific strategic priorities. The program returns 100% of net revenues from traffic violations to municipalities that are directly responsible for paying for policing.

Federal conditional transfers include the Canada Community-Building Fund (formerly the Gas Tax Fund). The use of funding is established by a funding agreement between the City and the Union of British Columbia Municipalities. These funds may be used for projects that achieve positive environmental results. Also included in this category is funding received from Natural Resources towards designated infrastructure Canada for Disaster Mitigation and Adaptation for underground infrastructure as well as electric vehicle charging stations has also been included.

Provincial conditional transfers include the Municipal and Regional District Tax Online Accommodation Platform (MRDT OAP) tax which is applicable to designated accommodation areas in the municipality or regional district. Funds received are transferred into the City's housing reserve. Examples of other transfers include Strengthening Communities grant and funding received from Emergency Management BC.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

12. Miscellaneous Revenue

	Financial Plan 2022	2022	2021
Cost Sharing	\$ 821,810	\$ 1,307,240	\$ 1,099,779
Arena lease equivalent, share of naming rights and ticket surcharge	530,870	625,933	361,172
CREST levy	400,000	290,037	261,953
Bus shelter advertising	150,000	158,749	130,530
Commission	750	1,341	21,944
Misc grants	-	18,451	124,140
Bonus density	535,000	664,861	-
Public Amenity	-	344,488	-
Fortis franchise fee	-	410,110	536,523
Other: administrative fees, lease fees, and information sale	337,230	550,016	595,406
Gain on acquisition and disposal of tangible capital assets	-	5,832,876	1,943,138
	\$ 2,775,660	\$ 10,204,102	\$ 5,074,585

13. Trust Funds

Trust funds administered by the City are as follows, and have not been included in the Statement of Financial Position nor have their operations been included in the Statement of Operations.

	2022	2021
Ross Bay Cemetery	\$ 1,224,173	\$ 1,186,966
Nature Interpretive Centre	684,015	668,513
Bastion Square Revitalization	142,877	139,639
	\$ 2,051,066	\$ 1,995,118

The Ross Bay Cemetery Trust is a fund for the non-commercial Ross Bay Cemetery and is used for perpetual maintenance. The Nature Interpretive Centre is a trust for the construction of a Nature/Interpretive 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.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

14. Contingent Liabilities

(a) The City is 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. Management does not believe any outstanding claims are likely to result in a material loss to the City. Included in reserve funds is an insurance reserve of \$4,328,631 (2021 - \$4,230,529) maintained to offset settlements, and insurance coverage is maintained to provide for insurable claims should they exceed the liability deductible of \$1,000,000 in any year. As of November 1, 2008, the City joined the Municipal Insurance Association and all insurable claims from that date forward will be subject to a liability deductible of \$250,000 in any year.

(b) 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 debt reserve fund. These deposits are included in the City's financial assets as restricted cash (under the caption of MFA debt reserve fund) and are held by the MFA as security against the possibility of debt repayment default. If the debts repaid without default, the deposits are refunded to the City. At December 31, 2022 the balance of the deposits was \$1,310,667 (2021 - \$1,349,379). At December 31, 2022 there were contingent demand notes of \$2,314,040 (2021 - \$2,490,784) which are not included in the financial statements of the City.

(c) 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.

(d) The City of Victoria and the District of Saanich established the Board of Cemetery Trustees of Greater Victoria in 1922 under the Municipal Cemeteries Act. The Board is a not-for profit organization that operates the Royal Oak Burial Park. The terms of the agreement provides the Board a borrowing limit of \$3 million, with the City and the District of Saanich providing equal guarantee. At December 31, 2022 the Board had an outstanding demand loan of \$795,917 (2021 - \$939,096) with the Bank of Montreal and long-term debt of \$540,199 (2021 - \$615,836) through the Municipal Finance Authority. The City's guarantee portion of the outstanding debt at December 31, 2022 is \$668,058 (2021 - \$777,466).

(e) 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.

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

15. Financial Plan Data

The financial plan data presented in these financial statements is based on the 2022 operating and capital financial plan approved Council on April 21, 2022. The below table reconciles the approved financial plan to the financial plan figures reported in these financial statements.

Revenues

Net taxes available for municipal purposes (note 10)	\$	157,896,270
Grants in lieu of taxes available for municipal purposes		7,071,800
Sale of goods and services		47,501,020
Sale of water		22,685,950
Licences and permits		7,056,020
Fines		3,660,000
Rentals and leases		1,877,750
Investment income		3,000,000
Other interest and penalties		668,460
Unconditional transfers (note 11)		1,855,000
Conditional transfers (note 11)		8,176,790
Actuarial adjustment on debt		-
Development cost charges		9,968,000
Miscellaneous revenue (note 12)		2,775,660
		<u>274,192,720</u>

Expenses

General government	27,866,760
Protective services	84,993,360
Transportation services	24,858,180
Environmental and public health services	8,529,160
Social services and housing	3,189,660
Planning and development	16,866,690
Parks, recreation and cultural services	27,324,740
Water utility	16,795,950
Sewer utility	4,106,510
	<u>214,531,010</u>

Annual Surplus, per the Statement of Operations	59,661,710
Less:	
Capital expenditures	(153,980,000)
Debt repayments	(3,155,960)
Add:	
Interfund transfers	97,474,250
Annual Surplus, per the financial plan bylaw	<u>\$ -</u>

16. 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:

(a) General Government

The General Government Operations provide the functions of Corporate Administration, Finance, Human Resources, Legislative Services and any other functions categorized as non-departmental.

(b) Protective Services

Protective Services is comprised of four different functions, including the City's Emergency Management Agency, Fire, Police and Bylaw 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 goal of Bylaw Services is to achieve voluntary compliance of City Bylaws through education and information.

(c) Engineering and Transportation Services

Engineering and 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.

(d) 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. The 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, squares.

(e) Social Services and Housing

Social services and housing includes grants to non-profit organizations for the purpose of facilitating social inclusion and community wellness, and to support affordable housing initiatives.

(f) Parks, Recreation and Facilities

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. 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. Facilities is responsible for the maintenance and repairs for all City facilities.

16. **Segmented Information** (continued)

(g) Planning and Development

This segment is composed of four areas:

(i) Sustainable Planning and Community Development: Supports quality development and economic health of the City.

This function includes: community and city-wide land use planning; urban design; planning applications including zoning, development and variance permits, demographic, and other planning information services.

(ii) Strategic Real Estate: Manages all aspects of the City's real estate holdings based on an established real estate strategy and a triple bottom line (economic, social and environmental) perspective of returns. The real estate office provides a wide range of services including strategic advice and partnership development; as well as planning and leading transactions for the acquisition, sale, leasing or licensing of lands to meet the City's operational requirements and strategic goals.

(iii) Economic Development: This function is guided by six primary "engines" to drive Victoria's businesses, generate jobs, raise household incomes, and increase well-being. The six engines include: advanced education and research and development; the ocean and marine sector; experimental tourism; government; technology; and entrepreneurship, start-ups, and social enterprise. Economic development in Victoria focuses on the prospects for the future as a city with a high quality of life which supports the building of a vibrant, prosperous, fiscally sound and economically robust community. The Arts and Cultural function supports community vibrancy and economic impact through tourism and visitor attraction.

(iv) Victoria Conference Centre: This function includes the Victoria Conference Centre which is the second largest conference facility in BC and plays a significant economic impact on the local economy. Responsible for strengthening the City's economy through the implementation of a vision and action plan for economic sustainability and growth in Victoria.

(h) 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 2022-2026 consolidated financial plan.

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

THE CORPORATION OF THE CITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS

December 31, 2022

16. Segmented Information (continued)

2022	General Fund							Water Fund	Sewer Fund	Total
	General Government	Protective Services	Engineering & Transportation Services	Environ& Public Health Services	Social Services & Housing	Planning and Development	Parks, Recreation and Cultural	Water Utility	Sewer Utility	
Revenues										
Taxation	24,877,916	74,839,731	19,375,686	1,615,725	846,950	4,084,204	31,478,039	-	795,861	157,914,112
Grants in lieu of taxes	7,359,111	-	-	-	-	-	-	-	-	7,359,111
Sale of goods and services	2,028,858	9,408,818	14,161,494	9,687,169	-	9,641,299	2,551,239	1,935,614	8,845,146	58,259,637
Sale of water	-	-	-	-	-	-	-	23,990,399	-	23,990,399
Licences and permits	1,399,381	1,090,835	2,166,521	-	-	5,049,015	-	-	-	9,705,751
Fines	-	6,395	4,553,383	-	-	-	-	-	-	4,559,778
Rentals and leases	-	-	-	-	-	2,038,200	-	-	-	2,038,200
Investment income	7,344,892	-	-	-	-	-	-	-	-	7,344,892
Other interest and penalties	796,820	-	-	49,007	-	-	-	237,048	1,850	1,084,725
Unconditional transfers	2,003,713	-	-	-	-	-	-	-	-	2,003,713
Conditional transfers	11,731,732	246,748	117,631	72,200	-	77,000	59,768	429,073	132,106	12,866,256
Actuarial adjustment on debt	1,496,813	-	-	-	-	-	-	-	-	1,496,813
Development Cost Charges	4,752,271	-	-	8,613	-	-	-	112,205	15,509	4,888,598
Miscellaneous	8,418,339	1,276,403	78,328	-	-	355,171	75,862	-	-	10,204,102
	72,209,845	86,868,930	40,453,042	11,432,714	846,950	21,244,889	34,164,908	26,704,338	9,790,472	303,716,088
Expenses										
Salaries and wages	16,313,653	74,578,902	17,033,786	4,940,883	1,748,261	9,144,529	17,640,157	2,161,107	2,127,323	145,688,601
Employee benefit obligation	203,578	-	-	-	-	-	-	-	-	203,578
Materials, supplies and services	6,750,147	11,465,055	7,882,783	3,810,393	914,510	9,721,399	8,328,286	14,452,423	2,247,206	65,572,200
Interest and foreign exchange	2,289,717	-	134,510	-	-	-	-	-	-	2,424,227
Grants	4,150,628	-	-	-	1,351,000	1,340,651	1,613,487	-	-	8,455,766
Amortization	2,831,517	2,103,923	8,088,805	734,118	-	682,556	1,883,925	970,523	514,376	17,809,743
Capital Maintenance	1,061,597	66,867	901,129	333,479	-	-	662,855	256,855	768,366	4,051,148
	33,600,836	88,214,747	34,041,014	9,818,872	4,013,771	20,889,134	30,128,710	17,840,908	5,657,271	244,205,263
Annual surplus	\$ 38,609,009	\$ (1,345,817)	\$ 6,412,028	\$ 1,613,842	\$ (3,166,821)	\$ 355,755	\$ 4,036,198	\$ 8,863,430	\$ 4,133,201	\$ 59,510,825

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

16. Segmented Information (continued)

2021	General Fund							Water Fund	Sewer Fund	Total
	General Government	Protective Services	Engineering & Transportation Services	Environ& Public Health Services	Social Services & Housing	Planning and Development	Parks, Recreation and Cultural	Water Utility	Sewer Utility	
Revenues										
Taxation	17,165,151	71,109,400	19,934,512	1,739,302	368,074	4,085,083	35,275,902	-	795,484	150,472,908
Grants in lieu of taxes	7,070,215	-	-	-	-	-	-	-	-	7,070,215
Sale of goods and services	791,897	8,763,031	12,141,959	9,505,584	2,741	2,724,260	1,232,304	1,290,434	8,353,120	44,805,331
Sale of water	-	-	-	-	-	-	-	23,605,956	-	23,605,956
Licences and permits	1,436,493	900,989	1,972,843	-	-	6,814,089	-	-	-	11,124,413
Fines	-	14,165	3,936,150	-	-	-	-	-	-	3,950,315
Rentals and leases	-	-	-	-	-	2,225,954	-	-	-	2,225,954
Investment income	2,817,461	-	-	-	-	-	-	-	-	2,817,461
Other interest and penalties	743,632	-	-	82,094	-	-	-	252,938	2,150	1,080,814
Unconditional transfers	2,205,321	-	-	-	-	-	-	-	-	2,205,321
Conditional transfers	11,545,620	336,822	155,378	614,745	-	25,000	94,572	790,477	661,506	14,224,121
Actuarial adjustment on debt	1,349,519	-	-	-	-	-	-	-	-	1,349,519
Development cost charges	2,944,956	-	-	157,949	-	-	-	336,679	235,048	3,674,631
Miscellaneous	1,690,788	1,257,615	112,608	-	(7,410)	1,941,683	79,301	-	-	5,074,585
	49,761,052	82,382,022	38,253,450	12,099,674	363,406	17,816,069	36,682,079	26,276,484	10,047,308	273,681,544
Expenses										
Salaries and wages	15,094,094	70,256,217	16,244,578	4,654,205	1,502,548	7,944,862	16,332,942	2,242,513	1,861,730	136,133,688
Employee benefit obligation	496,235	-	-	-	-	-	-	-	-	496,235
Materials, supplies and services	4,237,194	9,519,790	6,426,670	3,278,914	1,595,071	3,444,550	7,529,478	14,309,225	1,797,816	52,138,708
Interest and foreign exchange	2,325,331	-	154,760	-	-	-	-	-	-	2,480,091
Grants	3,142,313	-	25,000	-	343,500	795,277	1,311,693	-	-	5,617,784
Amortization	2,377,112	2,014,606	7,625,264	679,764	-	684,337	1,890,220	915,236	472,447	16,658,986
Capital Maintenance	33,779	39,035	848,925	523,837	-	-	922,207	178,301	621,186	3,167,269
	27,706,058	81,829,648	31,325,197	9,136,720	3,441,119	12,869,026	27,986,540	17,645,275	4,753,179	216,692,762
Annual surplus	\$ 22,054,994	\$ 552,374	\$ 6,928,253	\$ 2,962,953	\$ (3,077,713)	\$ 4,947,043	\$ 8,695,539	\$ 8,631,209	\$ 5,294,129	\$ 56,988,782

THE CORPORATION OF THE CITY OF VICTORIA

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

17. Comparative Information

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

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SUPPLEMENTARY FINANCIAL INFORMATION

The Corporation
of the City of Victoria

The following schedule is unaudited

Year Ended December 31, 2022

THE CORPORATION OF THE CITY OF VICTORIA**SUPPLEMENTARY FINANCIAL INFORMATION**

For the year ended December 31, 2022

Schedule A - Statement of Canada - BC Restart Grant (Unaudited)

	2022	2021
Balance, January	\$ 1,740,000	\$ 6,435,480
Eligible Costs incurred:		
Revenue losses - parking, Victoria Conference Centre and leases	(1,740,000)	(4,666,580)
Community care tent grant		(6,500)
Food service and outreach grant		(22,400)
Balance, December 31, 2022	\$ -	\$ 1,740,000

Draft