

CITY OF VICTORIA | British Columbia

Annual Report

Year Ended December 31, 2023



Welcome to Victoria

Capital City of British Columbia



Located on the southern tip of Vancouver Island, Victoria is a forward-thinking, active community. The city is home to a dynamic, thriving economy and vibrant arts and culture scene, with an unparalleled natural environment enjoyed by residents and visitors. It's a place where sustainability, health and wellbeing are the cornerstones of creating a prosperous and inclusive future. Approximately 94,000 residents call our capital city home and it serves as the economic and entertainment centre for the Capital Region, which services a population of approximately 400,000.

The City of Victoria is located on the homelands of the Songhees Nation and the Esquimalt Nation.





The new Tam Kung Temple Mural in Chinatown.

COVER PHOTO: The City of Victoria's new Victoria Fire Department Headquarters at 1025 Johnson Street.

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Message from the City Manager

I am pleased to present the City of Victoria's 2023 Annual Report.

Each year, the Annual Report provides an overview of the results achieved across City departments in the delivery of over 200 programs and services to meet the diverse needs of Victoria residents and businesses. It also includes a detailed account of the City's operational and financial activities to ensure transparency of your local government's financial integrity and performance.

Victorians count on the City to deliver programs and services they rely on daily and to make our community a great place to live, work and play. Last year, staff implemented new programs and infrastructure improvements to deliver on Council's 2023-2026 Strategic Plan, while continuing to provide high-quality services and improving affordability and accessibility for our community.

Despite inflation and global economic pressures, as well as climate change impacts to Victoria's built and green infrastructure, we continued to deliver innovative solutions and services which fostered a vibrant capital city.

In 2023, we opened the new state-of-the-art, post-seismic Victoria Fire Department Headquarters. The building is an example of an innovative partnership that supports emergency response, affordable homes and commercial spaces.

To further support affordable housing, the City contributed \$3.27 million in grants through the Victoria Housing Reserve Fund, resulting in the development of 108 new homes targeted for the tourism sector workforce, seniors and families.

We continued to renew aging underground infrastructure to serve our growing population, while transforming City streets above ground with road paving, accessible parking, protected bike lanes, EV fast charging stations and pedestrian amenities.

As part of our ongoing work in reconciliation, the City partnered with the Songhees Nation to host the South Island Powwow at Royal Athletic Park, which attracted over 19,000 attendees. We also partnered with local organizations to develop the online South Island Indigenous Business Directory to support and encourage new opportunities for business development across the region.



Parks, playgrounds and natural areas restoration were also an important focus in 2023. We made investments in Stadacona Park and Lime Bay Park and opened a new playground in Bridges Park. Close to 600 new trees were planted to increase our urban forest and support climate resiliency.

To help make our community more welcoming, we introduced programs to reduce barriers to sport and recreation with a new Muslim Women's Fitness and Sport program, Campership Subsidy program and the My Museum initiative.

This year the City continued to invest in Victoria's arts and culture sector through the launch of the Music Strategy Grant program, which improved access and affordability of music venues and capacity building programs among the local music industry. 2023 also saw the launch of the OUR DWTN Revitalization program to invest in the beautification, programming and enhanced cleaning and safety of downtown spaces.

While this report focuses on the achievements of the City of Victoria, I want to recognize that much of what we do involves collaboration. I would like to thank our community members, non-profit organizations, service providers and local businesses for their support and partnerships over the past year.

Finally, I want to also acknowledge our staff for their dedication to the community and commitment to service excellence. I am confident that, together, we will continue to adapt and thrive amid rapid change.

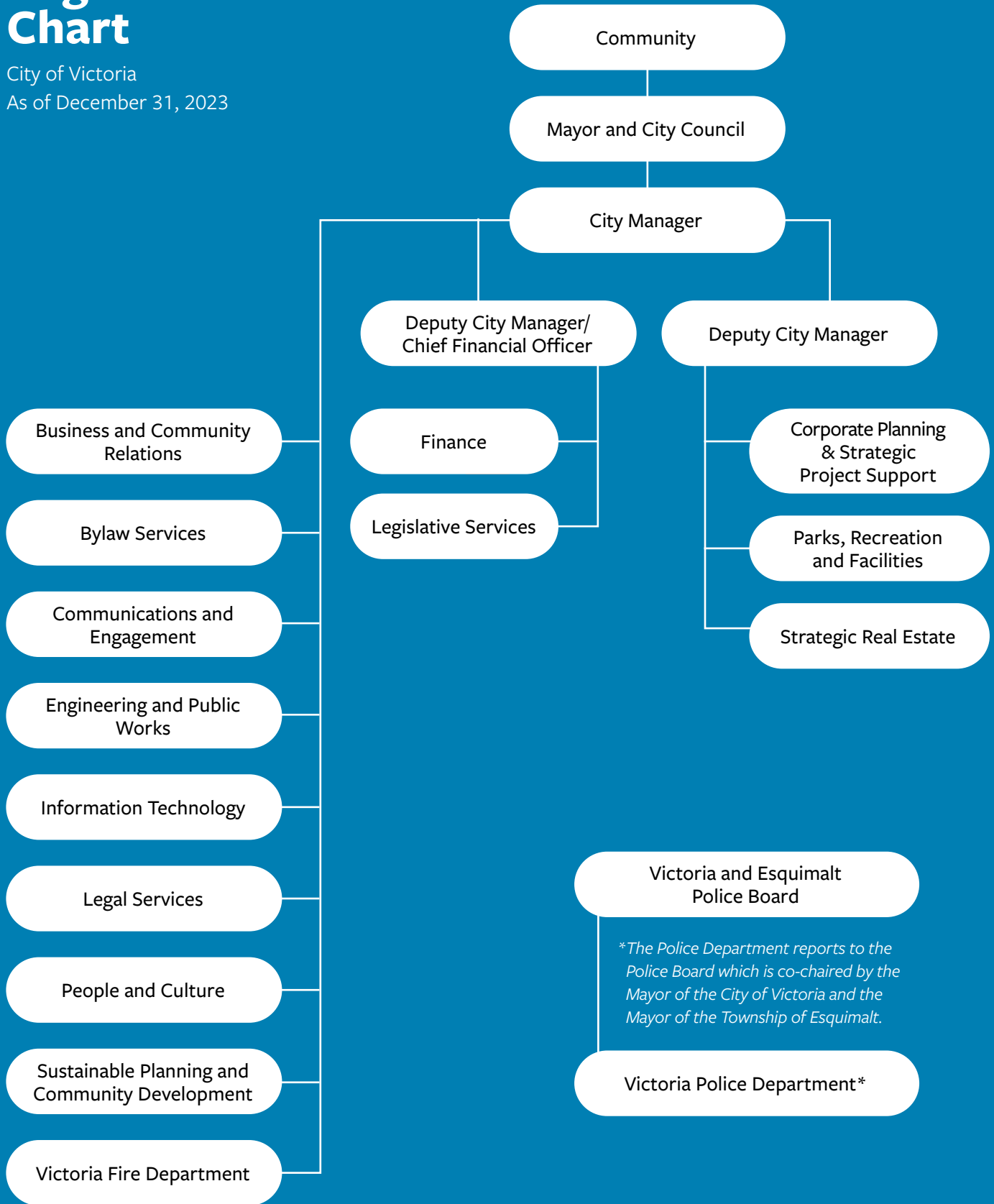
Sincerely,

Jocelyn Jenkyns

City Manager

2023 Organizational Chart

City of Victoria
As of December 31, 2023



Mayor & Council

Victoria's Mayor and eight City Councillors were elected to serve a four-year term in October 2022. The City has 12 formally-recognized neighbourhoods and appoints a Council Liaison to each. Some members of Council are also appointed to the Board of the Capital Regional District.

Council has one committee: Committee of the Whole. The Committee of the Whole, comprised of the Mayor and all eight Councillors, focuses on broad policy issues that affect the community or organization, land development regulations and policy, and specific land development applications.



Council's Strategic Plan 2023–2026

Goal:

By 2026, Victoria will be a dynamic, inclusive, more affordable, safer, intentionally-transformed city where people can imagine a future for themselves and seven generations to come. We will be known for decisive leadership and innovation in climate action, housing, transportation and meaningful reconciliation with the Ləkʷəŋən' speaking Songhees and Esquimalt Nations on whose lands the city exists.

Values:

- Govern with discipline, courage, integrity, transparency and a dedication to public service.
- Embrace urban evolution, innovation and adaptation.
- Create, collaborate and cooperate.
- Learn together and from one another.
- Demonstrate decisive leadership and civil discourse.
- Welcome diverse opinion and thought.
- Partner with other governments to benefit Victorians.
- Use evidence-based policies

Eight Strategic Priorities:

- Climate Action and Environmental Stewardship
- Housing
- Transportation
- Parks, Recreation and Gathering Spaces
- Community Wellbeing and Safety
- Economic Health and Community Vitality
- Truth and Reconciliation
- Arts, Culture, Music, Sport and Entertainment



2023 Highlights and Accomplishments

The City of Victoria's achievements are a testament to the dedication of its hardworking teams and professional staff. Through collaborative efforts with diverse community partners, our public employees consistently deliver high-quality programs, services and initiatives tailored to meet the evolving needs of Victoria residents, businesses and visitors to the capital city.



Accessibility Feedback: Established a new accessibility feedback mechanism as part of implementing provincial legislation to support people with disabilities in our community, with support and input from our Accessibility Advisory Committee.

Accessible Parking: Built 17 new accessible parking stalls on City streets and upgraded seven existing stalls in the Yates Street Parkade to reduce barriers and support mobility for people with disabilities.

Affordable Housing: Invested \$3.27 million in grants through the City's Victoria Housing Reserve Fund to support development of 40 units of affordable and below-market housing targeted to the tourism sector workforce and 68 units of affordable and below-market housing for seniors and families.

Bike Valet: Parked over 37,000 bicycles at the Downtown Bike Valet to support people choosing sustainable transportation.

Biosphere Certification: Victoria Conference Centre became the second Biosphere Certified conference centre in North America, joining forces with Destination Greater Victoria, local hotels and attractions, to further our reputation as a international sustainable tourism destination.

Business Outreach: Visited over 100 new businesses that opened their doors in 2023 and initiated a subscriber-based e-newsletter to share resources and services. Responded to nearly 300 inquiries from businesses and entrepreneurs; of which 138 identified as new businesses in Victoria.

Childcare-Friendly Zoning: Changed our Zoning Regulation Bylaw to make it easier to create new childcare spaces throughout the city and streamlined our municipal approvals processes.

City Website: Launched a new website that is accessible, modern and prioritizes easy access to City services, programs and initiatives on mobile devices.

Community of Practice: Spearheaded a new public sector community of practice focused on social development, equity, accessibility and inclusion with practitioners from over 20 organizations on southern Vancouver Island.



*TOP: Accessible parking stall in Songhees, Victoria West;
BOTTOM: Victoria Conference Centre.*

HIGHLIGHTS AND ACCOMPLISHMENTS

Customer Service: Facilitated more than 16,000 service requests for construction or maintenance on roads, streets, sidewalks and underground infrastructure and completed more than 81,000 transactions at City Hall, serving residents, visitors and businesses.

Cycling and Pedestrian Improvements: Expanded Victoria's all ages and abilities cycling network by 4.6 kilometres, built 18 new crosswalks and upgraded 15 existing crosswalks to support road safety and accessibility.

Development Support: Processed 221 development applications, conducted 1,432 Zoning Bylaw plan checks and 2,135 reviews of business licences.

Downtown Revitalization: Established the OUR DWTN Revitalization program to focus on beautification, programming and enhanced safety of downtown spaces. Initiatives included the OUR DWTN Scrub-Up, Summer at Ship Point, Facade Grant program and placemaking activities on Broad Street and at Centennial Square.

Economic Development Support: Launched a new digital tool that provides detailed data, graphs and maps to attract investors and businesses to Victoria.

EV Charging: Expanded EV charging infrastructure to support the City's electric fleet and residents, visitors and commuters. Installed 26 chargers to support City operations and two new public DC Fast Chargers at Crystal Pool and Fitness Centre.

Facility Upgrades: Reduced energy consumption in City facilities by replacing end-of-life equipment, such as installing a new boiler at the Public Works Yard, a new heat pump at the Oaklands Community Centre and completing lighting upgrades at various buildings.

Feet on the Street: Developed a program to provide bylaw officers the opportunity to engage with the business community to proactively enforce bylaws relating to nuisance activities. In 2023, there were 526 hours of patrols, 284 interactions with businesses and 174 calls for service completed.

Two 50-kilowatt DC fast charging stations; City's Feet on the Street program.





TOP: Summer at Ship Point programming and activation; BOTTOM: Government Street protected bike lanes and crosswalk.



Community plant distribution.

Festival Investment Grant: Funded 46 community events and festivals including the annual Highland Games, Fringe Festival, International Jazz Festival and many more.

Financial Holdings: Held \$267.4 million in diverse socially responsible and fossil fuel-free investments to diversify the City's financial holdings.

Fire Department Headquarters: Opened the new Victoria Fire Department Headquarters and Emergency Operations Centre, one of the largest mixed-use developments of its kind in Canada that combines affordable housing and fire department operations.

Garbage and Organics Collection: Collected over 3,300 metric tonnes of garbage and 3,000 metric tonnes of organic materials from more than 14,400 households, with zero service interruptions.

Get Growing: Distributed 105,000 vegetable seedlings, along with compost and mulch to residents.

Harbour Pathway Upgrades: Completed a new section of the Harbour Waterfront Pathway between Herald Street and the Johnson Street Bridge to promote economic development and support connectivity on Victoria's waterfront.

Inclusive Recreation: Introduced three new programs to reduce barriers to sport, recreation and community participation: the City's Muslim Women's Fitness and Sport program, the Campership Subsidy program and the My Museum initiative.

Indigenous Business Directory: Developed a virtual directory for accessing Indigenous businesses to support economic reconciliation and provide new opportunities for relationships, growth and partnership across the region.

International Decade for People of African Descent Grant Program: Distributed \$25,000 in grant funding to support five, community-led projects designed to empower Black youth in Victoria.

HIGHLIGHTS AND ACCOMPLISHMENTS

Leash Optional Area Pilot: Installed new split-rail fencing and chip trails along the Dallas Road Waterfront Pathway to provide recreational opportunities for residents and their four-legged friends.

Lime Bay Park Beach Enhancement: Completed in-water habitat and shoreline ecosystem enhancements along with improved beach access at Lime Bay Park.

Local Champions Program: Facilitated 19 graduates from this City-led leadership training program resulting in a community placemaking initiative and four practicum projects, which included food growing and saving workshops and a mountain bike skills event for youth at Cecelia Ravine Park.

Missing Middle and Family-Friendly Housing Updates: Made it easier to develop townhouses and houseplexes in Victoria through the City's Missing Middle framework and by introducing a new grant for large (four+ bedroom) family-friendly units.

Music Programming and Performances: Curated a summer music playlist with musician Koby Andrews and supported local artists by offering free music concerts at Centennial Square, Broad Street, Cameron Bandshell, Fort Commons, Songhees Park Plaza, Fisherman's Wharf and Ship Point.

Music Strategy Grant Program: Launched a new \$150,000 grant program to accelerate implementation of the City's Victoria Music Strategy. Grants supported free and low-barrier music programming, improved access and affordability of music venues and capacity building programs among the local music industry.

My Great Neighbourhood Grant Program: Supported community-led placemaking initiatives, events and activities by investing \$140,000 in the City's My Great Neighbourhood Grant; funding block parties, new murals, plant exchanges and community clean-up events in Chinatown and at the beach at Clover Point.

Natural Areas Restoration: Restored 8,200 square metres of natural areas, removing 6,400 square metres of invasive species and planting 3,774 new native plants.

NeighbourSpace: Provided a newly-renovated free bookable meeting space for community-led meetings, training sessions and workshops at 709 Douglas Street.

New Park for Victoria West: Opened Bridges Park, Victoria's newest playground, featuring an accessible rubberized play surface, wooden play structure, nest swing and a water/sand play sensory experience.

New fencing and chip path at Dallas Road Waterfront Leash-Optional Area.





City crews repairing and paving streets.

Official Community Plan Updates: Refreshed the 2012 Official Community Plan, aligning it with recently approved plans, policies and strategic directions. Completed technical background research and confirmed approach to initiate a comprehensive 10-year update in 2024.

Operations Management Tools: Equipped crews with new digital tools to support the ongoing maintenance and management of critical underground infrastructure.

Permits and Inspections: Issued 540 building permits, 2,478 electrical permits and 582 plumbing permits to support new buildings and renovations across the municipality. In addition, conducted 443 plan searches, issued 59 sign permits and processed 14 liquor licence referrals.

Poet Laureate and Youth Poet Laureate: Selected Marie Metaphor Specht as the City's Poet Laureate and Eva Haas as the City's Youth Poet Laureate to champion literature and poetry in the capital city between 2023 and 2025.

Preparedness Education: Delivered 112 public education events reaching over 5,200 residents on a range of safety topics such as car seat education, emergency preparedness, fire safety and smoke alarm installation.

Public Art Refresh: Maintained major public art projects including the Poet Laureate Legacy Tree by Glenn Closson, Musical Railings at Yates Street Parkade by Monkey C Interactive, Holding a Rail Spike by Crystal Przybille and Night is for Sleeping by Mowry Baden.

Public Washrooms: Installed a new accessible public washroom on Broughton Street to support late-night activity and tourism and completed a comprehensive accessibility audit of existing park washrooms to inform the development of a multi-year capital improvement program.

Real-time Parking Availability: Introduced a new program to share real-time parking data in the City's five parkades to improve the visitor experience.

HIGHLIGHTS AND ACCOMPLISHMENTS

Reconciliation Contribution Fund: Received over \$32,500 in voluntary contributions from members of the public to the City's Reconciliation Contribution Fund, which was shared with the Songhees Nation and the Esquimalt Nation.

Recreation Access: Welcomed more than 400,000 visits to Crystal Pool and Fitness Centre where 3,400 children learned to swim and more than 1,500 youth participated in summer camps. Our community and senior centres collectively welcomed more than 350,000 visits and over 100,000 people attended events at Royal Athletic Park. There were 15,000 hours of sport field rentals across 12 different sites.

Residential Leaf and Branch Collection:

Collected approximately 6,500 metric tonnes of leaves and 153 cubic metres of branches through residential collection programs for composting and use in City parks and gardens.

Road Paving: Completed 12 kilometres of paving on major roads and local streets, the highest annual amount in 50 years.

Stadacona Park Upgrades: Opened a new playground at Stadacona Park featuring a wheelchair accessible swing, in-ground trampoline, tall tower structure, seating, musical features and picnic tables.

Street Occupancy Permits: Processed 4,800 street occupancy permits, enabling utility providers, contractors and developers to safely complete their work on municipal roadways.

Tenant Assistance Program: Supported 81 renters displaced by redevelopment by securing additional rent, moving compensation and relocation supports beyond what is mandated through the Residential Tenancy Act.

Stadacona Park playground opening ceremony in full swing.





Topaz Park Upgrades: Replaced and expanded the City’s only artificial turf field, adding softball facilities, spectator seating, storage, sport and pedestrian lighting, pathways and shade trees to encourage play, recreation and community wellness. Launched a free seasonal equipment lending program called ‘Free Wheelin’ at the Park’s skate and bike facilities.

Underground Utility Renewal: Renewed and upgraded 1.6 kilometres of watermain, 2.2 kilometres of sanitary sewers and 3.2 kilometres of storm drain to serve our growing population and increase resiliency to seismic events and climate change impacts.

Urban Forest Expansion: Planted 596 new trees through a combination of City efforts and new development activity to increase our forest cover and support climate resiliency goals.

Victoria Conference Centre: Hosted 141 events, equating to 83,986 delegate days, 22,041 room nights and \$35 million in business sales.

Youth U-Pass Program: Issued 2,650 tap-friendly, annual U-Passes to youth aged 13-18 to travel on the Victoria Regional Transit System free of charge.

Zero Carbon Step Code Adoption: Adopted a new Step Code to ensure that all new buildings built in the municipality are energy efficient and generate the least amount of greenhouse gas emissions.

CLOCKWISE FROM TOP LEFT: Free Wheelin’ program at Topaz Park; a City Field Arborist using advanced technology to detect the presence of decay in a tree; underground watermain replacement on Blanshard Street.



Victoria Police:

- Continued to explore new ways to deliver policing services as effectively as possible under the three main goals of the Victoria Police strategic plan: to support community safety, enhance public trust and achieve organizational excellence.
- Dispatched 38,289 calls for service, on par with the total from the previous year.
- Welcomed 40 new staff members, including 16 new recruit officers, five experienced officers, four Special Municipal Constables and 15 civilian staff. In addition, 65 reserve officers and 75 VicPD volunteers contributed more than 14,000 hours of service in 2023.
- Launched the Co-Response Team to support calls with a mental health component and introduced a new online reporting system to report non-emergency crimes.
- Initiated or supported 99 public safety campaigns to raise awareness on issues from sextortion, shoplifting and fraud to speeding, distracted driving and violence prevention.
- As a measure of public trust, the 2023 VicPD Community Survey findings indicated that 82 per cent of respondents in Victoria and Esquimalt were satisfied with VicPD's service (equal to 2022) and 69 per cent agreed that they feel safe and taken care of by VicPD (equal to 2022).



TOP: VicPD officer at Canada Day 2023; BOTTOM: VicPD welcomed their first Occupational Stress Intervention Dog, 'Daisy' courtesy of Wounded Warriors Canada and VICD Service Dogs.

2023 Community Events and Celebrations

The City of Victoria works with a wide range of organizations, business associations and networks to support the community through awards, events and celebrations. Here are some of our favourites from 2023:



Leaders from Victoria's business community at the City's Circular Economy Speaker series.

Best of the City Awards invited residents to vote for their favourite establishments in Greater Victoria, showing local businesses the love and support they deserve.

Business Planning Workshops helped 60 entrepreneurs set achievable goals and build successful business plans for operating in Victoria.

Circular Economy Speaker Series showcased business and community leaders working towards a circular economy in restaurant packaging, textiles and food rescue.

Colourful Business Expo was a first-of-its-kind event to highlight racialized, Indigenous and new immigrant businesses. The Expo provided participants with access to resources and highlighted the richness of diverse businesses in Victoria.

Community Initiative Awards recognized six Victoria residents who made significant volunteer contributions in community development.

EcoStar Awards recognized outstanding environmental achievements and leadership on Vancouver Island.

Extended Reality Mixer enabled the community to connect, explore skills, find collaborators and get inspired through technology and the arts.

Ideas Jam brought together representatives from the Songhees Nation and Esquimalt Nation, provincial government, industry, arts and culture, science and technology, real estate and City staff to share big ideas and consider trade-offs for shaping a new Industry, Arts and Innovation District in Victoria.

IMPACT Sustainability Travel and Tourism Conference focused on climate action policies that affect tourism and the sustainable growth of tourism in Canada as a key economic driver.

Island Ignite introduced young women to a career in the fire service and invited 28 youth participants from Vancouver Island, the Gulf Islands and the Sunshine Coast to visit the Victoria Fire Department and meet the team.

Mural Mixer connected businesses, artists and community members to discuss how to support a dynamic mural-making culture in Victoria.

COMMUNITY EVENTS AND CELEBRATIONS

Newcomer Employment Summit focused on the benefits and opportunities of hiring newcomers, building more equitable workplaces and networking for employers and newcomers on equity, diversity and inclusion initiatives in the Capital Region.

Rising Economy Conference invited leading thinkers from the business, government and non-profit sectors to engage in conversations about how the region and the world will meet the challenges of the 21st century.

Small Business Info Sessions connected entrepreneurs with the resources they may need while starting or operating a small business in Victoria.

South Island Powwow was co-hosted and delivered in partnership with the Songhees Nation at Royal Athletic Park, furthering the City's ongoing work towards reconciliation and attracting over 19,000 attendees.

STEMstruck celebrated, supported and advanced women in science and technology from the community.

Think Local Week highlighted the importance of supporting local businesses and fostering economic growth within the city.

VIATEC Community Awards brought the tech community together to spotlight and celebrate some of the year's most notable companies and individuals within Victoria's tech sector.

Victoria Chamber of Commerce Business Awards showcased hard-working business owners and community leaders in 14 categories.

Western Angel Investment Summit was a two-day event of networking, company pitches, speakers and panelists to connect angels, founders, funds and accelerators.

YAM Magazine's Best Restaurant Awards celebrated Victoria's exciting food scene with candidates judged by an independent panel of local chefs and food experts.

10 to Watch Awards were given to 10 distinct, new businesses less than three years old that show incredible promise in their field.

2023 South Island Powwow at Royal Athletic Park with 19,000+ attendees



2023 Awards and Recognition

The City of Victoria was a recipient of several awards in 2023 for continued innovation and high-quality service delivery.

- Voted **Best Small City in the World** by the **2023 Conde Nast Readers' Choice Awards**.
- Recognized as **Tree City of the World** by the **Food and Agriculture Organization of the United Nations** and the **Arbor Day Foundation**.
- Received the **Climate and Energy Action Award** along with the Districts of Saanich and Central Saanich and the Capital Regional District at the **2023 UBCM Convention** for the **Zero Carbon Step Code** for policy development, engagement and adoption.
- Recognized alongside the Regional Emergency Management Partnership and GeoBC as a finalist in the **2023 Premier's Innovation and Excellence Awards** for developing a tsunami information portal.
- Presented with a **Public Sector Procurement Award** by the **British Columbia Construction Association**. The City's Supply Management Services team was recognized for leadership in the procurement of construction services for its commitment to industry best practices.
- Named the winner of the **2023 Capital Region's Commercial Building Award** and the **Award of Excellence Mixed Use** for its new Victoria Fire Department Headquarters and Emergency Operations Centre.
- Recognized at the **2023 International Congress and Convention Association (ICCA) Awards** for the Victoria Conference Centre. ICCA represents the world's top destinations and most experienced suppliers specialised in accommodating international meetings and events.
- Awarded the **Canadian Award for Financial Reporting** for the past 19 consecutive years by the **Government Finance Officers Association**, which recognizes the City's excellence in governmental accounting and financial reporting.

2023 Grant Funding

The City received a range of financial grants in 2023 offered by the Federal and Provincial governments for specific projects and initiatives.

- Received a **Canada Mortgage and Housing Corporation Housing Accelerator Fund** grant in 2023, which provides **up to \$18 million** in funding over three years. The funding will support seven initiatives to encourage priority housing forms, policy, process and bylaw updates and initiatives that explore ways to leverage City-owned lands.
- In partnership with the Capital Regional District, secured **\$4.4 million** in grant funds through the **Investing in Canada Infrastructure Program – CleanBC Communities Fund** to install 10 new neighbourhood fast charging stations and 400 long-stay, Level 2 charging stations between 2024 and 2027.
- Received **\$3.6 million** through the **Government of Canada Active Transportation Infrastructure Grant** to support the construction of the Fort Street Road Safety Improvement project. The funding supported protected bike lanes, crosswalks, new traffic signals, road paving and green storm water management strategies.
- Received a grant from the **Province of BC** in the amount of **\$582,000** to support housing initiatives, including small-scale multi-unit housing and proactive planning, development finance and transit-oriented development. The funding is intended to support activities or projects local governments must undertake to meet new legislative requirements.
- Received **\$25,000** through the **Community Accessibility Grant** administered by **SPARC BC** and up to **\$90,000** through the **BC Accessibility Grant** administered by the **Rick Hansen Foundation**.
- Received **\$170,000** in cost sharing from **ICBC** for road safety improvements such as crosswalks, traffic signal upgrades and vehicle slip lane removal.



Letter from the Chief Financial Officer

I am pleased to present the City of Victoria's audited consolidated financial statements for the year ended December 31, 2023. 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 City maintains a system of internal accounting controls, including policies and procedures, designed to safeguard the assets of the corporation and provide reliable financial information. The financial statements have been audited by BDO Canada LLP, who have expressed that in their opinion, these statements present fairly, in all material respects, the financial position of the City as at December 31, 2023.

The City's financial statements follow national financial reporting standards to enable comparability between government organizations. While comparability can be helpful, the high level and consolidated nature of the presentation does not effectively report the financial results as they relate to the City's financial policies. Therefore, the City also reports on several financial condition indicators to share insights into the short and long-term implications of policy decisions.

Sustainability indicators show the degree to which a government can maintain its existing financial obligations; flexibility indicators measure how debt, reserves and taxation are managed; and vulnerability indicators illustrate the degree to which a government is dependent on sources of funding outside its control or influence.

Operational Results

Like many other organizations, the City faced escalating costs due to inflationary pressures, climate events and regulatory changes. While revenues continued to recover, balancing funding between competing needs and community expectations remained a priority. For 2023, infrastructure investment was a significant focus and included the completion of several multi-modal transportation corridors, underground infrastructure upgrades and the opening of the new headquarters for the Victoria Fire Department. As a result of this increase to equity in capital assets, the City's accumulated surplus grew to \$977 million.

The City's net financial position continued to grow through our investments in tangible capital assets, resulting in an increase in the 'assets to liability' ratio, which is a sustainability indicator. In addition,



the flexibility indicators reflected continued commitment to strengthening the City’s capacity to meet financial obligations through contributions to reserves and prudent debt management, in alignment with legislative requirements not to incur deficits or debt for operations.

Consolidated revenues for 2023 were \$42.6 million higher than 2022, primarily due to increased revenue from parking operations and the Victoria Conference Centre; increased investment income due to higher interest rates; additional senior level government grants; and increased property taxes levied. The vulnerability indicator ‘total government transfers to total revenue’ ratio increased due to the additional grants received which could be interpreted as increased reliance on funding from other levels of government. However, these grants were for specific purposes and not ongoing operations, and the ratio for ‘operating government transfers to operating revenue’ remained consistent. On the expense side, the largest increases related to materials and supplies and salaries and benefits across all service areas, as well as amortization of capital assets. The net result for the year was an annual surplus of \$70.8 million, which almost entirely consisted of equity in tangible capital assets.

Highlights

The annual report outlines the City’s financial health up to December 31, 2023 and provides an opportunity to highlight how policy decisions influence the financial results. In particular, the Financial Sustainability Policy supports deliberate decision making by guiding choices around debt, infrastructure funding and taxation. As reflected in the financial indicator analysis, which remains positive, the City is focused on building financial strengths in sustainability and flexibility while considering the risk of vulnerability.

The financial policies and related decisions underscore the City’s commitment to long-term financial sustainability to meet the community’s service expectations and infrastructure renewal needs for years to come.

Sincerely,

Susanne Thompson, CPA, CGA

Deputy City Manager/
Chief Financial Officer

May 8, 2024



FINANCIAL STATEMENTS OF

The Corporation of the City of Victoria

Year Ended December 31, 2023

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.

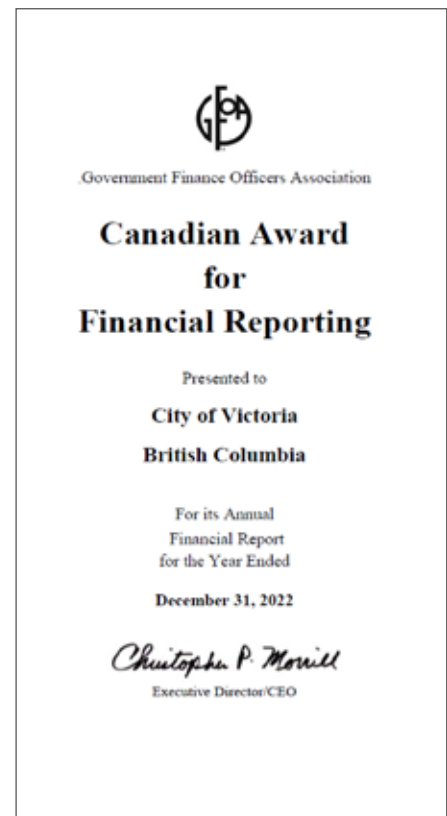
The City’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely 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



Independent Auditors' Report

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

We have audited the accompanying financial statements of The Corporation of the City of Victoria (the "City"), which comprise the Statement of Financial Position as at December 31, 2023, and the Statements of Operations, Changes in Net Financial Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2023, and the results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditors' Report

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of 'Schedule A – Statement of Canada – BC Restart Grant (Unaudited)' and 'Schedule B – Growing Communities Fund (Unaudited)', that are included at the end of these financial statements.



Chartered Professional Accountants
Vancouver, British Columbia

May 9, 2024

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Statement of Financial Position

December 31	2023	2022
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 97,276,196	\$ 128,244,048
Accounts receivable		
Property taxes	4,189,736	3,047,594
Other	37,500,804	35,679,762
Portfolio investments (Note 4)	272,967,247	248,043,341
Mortgage receivable (Note 5)	1,044,652	1,012,458
Other assets	403	2,216
MFA debt reserve fund (Note 16)	1,323,540	1,310,667
	414,302,578	417,340,086
Liabilities		
Accounts payable and accrued liabilities	35,189,523	30,069,020
Deposits and prepayments	28,717,848	26,658,204
Deferred revenue (Note 6)	31,127,016	29,359,819
Long-term debt (Note 7)	48,962,799	54,066,383
Employee future benefit liability (Note 7)	19,987,861	19,423,527
Asset retirement obligations (Note 10)	1,706,893	-
	165,691,940	159,576,952
Net Financial Assets	248,610,638	257,763,134
Non-Financial Assets		
Tangible capital assets (Note 9)	722,459,962	641,709,643
Inventories of supplies	2,655,209	2,434,168
Deposits towards acquisition of tangible capital assets (Note 9(d))	535,000	3,400,000
Prepaid expenses and deposits	2,539,789	687,035
	728,189,960	648,230,846
Accumulated Surplus (Note 11)	\$ 976,800,598	\$ 905,993,980
Contingent liabilities (Note 16)		

On behalf of the City:



Deputy City Manager/CFO



Mayor

The accompanying notes are an integral part of these financial statements

Statement of Operations

For the year ended December 31	Financial Plan 2023 (Note 17)	2023	2022
Revenues			
Taxation (Note 12)	169,000,160	\$ 169,084,975	157,914,112
Grants in lieu of taxes	7,317,500	7,613,156	7,359,111
Sale of goods and services	56,818,630	66,304,108	58,259,637
Sale of water	24,747,980	26,734,144	23,990,399
Licences and permits	9,697,370	11,371,144	9,705,751
Fines	5,518,020	5,438,681	4,559,778
Rentals and leases	2,012,750	2,194,456	2,038,200
Investment income	4,000,000	16,378,744	7,344,892
Other interest and penalties	965,960	1,407,719	1,084,725
Unconditional transfers (Note 13)	2,000,000	1,988,000	2,003,713
Conditional transfers (Note 13)	15,224,990	26,009,318	12,884,707
Actuarial adjustment on debt	-	1,435,132	1,496,813
Development Cost Charges	7,859,000	6,134,789	4,888,598
Miscellaneous (Note 14)	3,146,740	4,213,705	10,185,652
	308,309,100	346,308,071	303,716,088
Expenses			
General government	33,377,600	27,707,915	21,335,160
Protective services	92,521,170	97,724,786	88,504,784
Engineering and transportation services	27,534,100	40,019,766	35,927,293
Environmental and public health services	8,936,270	10,387,184	9,818,872
Social services and housing	2,216,390	3,272,815	5,783,790
Planning and development	19,964,120	22,970,043	18,181,953
Parks, recreation and cultural services	32,677,700	48,072,553	41,155,232
Water utility	18,117,980	19,444,103	17,840,908
Sewer utility	4,308,880	5,902,287	5,657,271
	239,654,210	275,501,453	244,205,263
Annual Surplus	68,654,890	70,806,618	59,510,825
Accumulated surplus , beginning of year	905,993,980	905,993,980	846,483,155
Accumulated Surplus , end of year	\$ 974,648,870	\$ 976,800,598	\$ 905,993,980

The accompanying notes are an integral part of these financial statements

Statement of Change in Net Financial Assets

For the year ended December 31	Financial Plan 2023 (Note 17)	2023	2022
Annual Surplus	\$ 68,654,890	\$ 70,806,618	\$ 59,510,825
Acquisition of tangible capital assets	(180,630,000)	(103,512,059)	(45,672,948)
Developer contributions of tangible capital assets	-	(30,000)	-
Amortization of tangible capital assets	14,500,000	20,906,966	17,809,743
Increase in tangible capital assets due to additions to asset retirement obligations	-	(1,692,989)	-
Net loss (gain) on disposal of tangible capital assets	-	3,534,452	(4,201,285)
Proceeds on disposal of tangible capital assets	-	43,311	6,503,600
	(166,130,000)	(80,750,319)	(25,560,890)
Purchase of inventories of supplies	-	(3,710,690)	(518,065)
Purchase of prepaids expense and deposits	-	(4,826,149)	-
Deposits towards acquisition of tangible capital assets	-	(535,000)	-
Consumption of deposits towards acquisition of tangible capital assets	-	3,400,000	-
Consumption of inventories of supplies	-	3,489,649	-
Consumption of prepaid expenses and deposits	-	2,973,395	1,046,150
	-	791,205	528,085
Change in Net Financial Assets	(97,475,110)	(9,152,496)	34,478,020
Net Financial Assets, Beginning of Year	257,763,134	257,763,134	223,285,114
Net Financial Assets, End of Year	\$ 160,288,024	\$ 248,610,638	\$ 257,763,134

The accompanying notes are an integral part of these financial statements

Statement of Cash Flows

For the year ended December 31

2023

2022

Cash provided by (used in):

Operating Transactions:

Annual Surplus	\$ 70,806,618	\$ 59,510,825
Items not involving cash:		
Amortization of tangible capital assets	20,906,966	17,809,743
Net loss (gain) on disposal of tangible capital assets	3,534,452	(4,201,285)
Employee future benefits expense	2,718,000	2,008,478
Accretion expense	13,904	-
Actuarial adjustment on debt	(1,435,132)	(1,496,812)
Developer contributions of tangible capital assets	(30,000)	-

Change in non-cash operating assets and liabilities:

Accounts receivable other	(1,821,043)	(10,143,891)
Property taxes receivable	(1,142,142)	(880,902)
Mortgage receivable	(32,194)	(31,201)
Other assets	1,813	19,488
MFA debt reserve fund	(12,873)	38,712
Accounts payable and accrued liabilities	5,120,503	(244,117)
Deposits and prepayments	2,059,644	3,154,793
Deferred revenue	1,767,197	(25,626)
Inventory of supplies	(221,041)	(518,066)
Prepaid expenses and deposits	(1,852,753)	1,046,150
Change in employee future benefit liability due to cash payment	(2,153,665)	(1,776,184)
	98,228,255	64,270,105

Capital Transactions:

Acquisition of tangible capital assets	(103,512,059)	(45,672,948)
Consumption of deposits towards acquisition of tangible capital assets	3,400,000	-
Deposits towards acquisition of tangible capital assets	(535,000)	-
Proceeds on disposal of tangible capital assets	43,311	6,503,600
	(100,603,748)	(39,169,348)

Investing Transactions:

Net increase decrease in portfolio investments	(24,923,906)	(29,495,038)
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Financing Transactions:

Debt repayments	(3,668,453)	(3,918,954)
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Decrease in Cash and Cash Equivalents	(30,967,852)	(8,313,235)
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Cash and Cash Equivalents, beginning of year	128,244,048	136,557,283
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Cash and Cash Equivalents, end of year	\$ 97,276,196	\$ 128,244,048
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The accompanying notes are an integral part of these financial statements

Notes to Financial Statements

December 31, 2023

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, engineering and 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 15).

(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 gives 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.

(i) Debt

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

Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

(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) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- (i) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- (ii) the past transaction or event giving rise to the liability has occurred;
- (iii) it is expected that future economic benefits will be given up; and
- (iv) a reasonable estimate of the amount can be made.

The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate.

Upon the initial measurement the liability, and if the related tangible capital asset is in productive use, an equal amount is added to the carrying value of the related tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the value of the liability is recorded as an expense.

(l) Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive

- (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 mediation strategy for a contaminated site. No liability for contaminated sites exists as at December 31, 2023 or 2022.

(m) Financial Instruments

Financial instruments are classified into two categories: (i) fair value or and (ii) cost, or amortized cost.

- i. Fair value category: derivatives and portfolio investments in equity instruments that are quoted in an active market are required to be assigned to the fair value category. Instruments in this category are carried at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and related balances reversed from the statement of remeasurement gains and losses.

As at December 31, 2023, none of the City's financial instruments have been assigned to the fair value category. As a result, there are no unrealized gains and losses and a statement of remeasurement gains and losses has not been included in these financial statements.

- ii. Cost or amortized cost category: other financial instruments are measured at cost or amortized cost. Gains and losses are recognized in the statement of operations when the financial instrument is derecognized due to disposal or impairment. Sales and purchases of portfolio investments are recorded on the trade date. Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Notes to Financial Statements

December 31, 2023

1. Significant Accounting Policies (continued)

(m) Financial Instruments (continued)

Financial instruments assigned to the cost or amortized cost category are cash and cash equivalents, accounts receivable, portfolio investments, mortgage receivable, accounts payable and accrued liabilities, deposits liability, and long-term debt.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis. If there is a significant adverse change in the amount or timing of expected future cash flows, the value of the asset is reduced and an impairment loss is recorded in the statement of operations. If events and circumstances reverse in a future period, the impairment loss is reversed to the extent of the improvement, not exceeding the initial carrying value.

(n) 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

(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

(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.

(vi) Inventories of Supplies

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

(o) 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, the amount and timing of costs of retirement 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.

Notes to Financial Statements

December 31, 2023

2. Adoption of New Accounting Policies

PS 3280 – Asset Retirement Obligations:

On January 1, 2023, the City adopted Public Accounting Standard PS 3280 – Asset Retirement Obligations. This new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The standard was adopted prospectively, and as such, no adjustment has been made to the previously reported financial results of the organization. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

On January 1, 2023, the City recognized a liability and a corresponding increase to the related tangible capital asset's cost base on several buildings owned by the City that contain asbestos.

In accordance with the provisions of this new standard, the City reflected the following adjustments at January 1, 2023:

– An increase of \$1,692,989 to buildings capital assets, representing the estimate of the obligation as of the date of adoption, and an accompanying amortization expense of \$1,389,430 for buildings that are already assessed as being at the end of their useful lives.

PS 3450 – Financial Instruments & PS 2604 – Foreign Currency Translation

On January 1, 2023, the City adopted Public Accounting Standards PS 3450 – Financial Instruments and PS 2601 – Foreign Currency Translation.

PS 2601 addresses the measurement of transactions that are denominated in foreign currencies. The transition to PS 2601 from PS 2600 is required upon adoption of PS 3450, and has had no impact on the City's previously reported financial results. PS 3450 addresses the recognition and measurement of financial instruments. This standard requires all instruments that meet the prescribed definition of a 'financial instrument' to be assigned to one of two measurement categories:

- (a) fair value; or
- (b) cost or amortized cost

The City has assigned its financial instruments to the measurement categories described in Note 1 (m). This adoption has had no impact on the City's previously reported financial results. As a result of this adoption, the City has included additional disclosures relating to financial instruments in note 19.

3. Cash and Cash Equivalents:

	2023	2022
Cash	\$ 85,276,196	\$ 106,734,187
Municipal Finance Authority (MFA) money market funds	12,000,000	21,509,861
	\$ 97,276,196	\$ 128,244,048

4. Portfolio Investments:

	2023	2022
MFA Pooled Bond Funds	\$ 115,967,266	\$ 87,028,547
Term deposits	156,999,981	161,014,795
	\$ 272,967,247	\$ 248,043,341

The Term Deposits held at December 31, 2023 have yields of 5.15% to 6.25% (2022 – 0.86% to 5.65%) and maturity dates to November 15, 2024. 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, which is consistent with the City's adoption of PS 3450.

Notes to Financial Statements

December 31, 2023

5. Mortgage Receivable:

	2023	2022
Mortgage receivable	\$ 1,044,652	\$ 1,012,458

In 2015, the property that was used for a new permanent, safe, transitional and supportive housing 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 at the time that this balance was recognized.

6. Deferred Revenue

	2022	Amounts Received	Interest Earned	Recognized as Revenue	2023
Deferred revenue	\$ 2,473,743	\$ 10,987,213	\$ -	\$ (5,777,097)	\$ 7,683,860
Building permit fees	6,991,801	4,919,573	-	(5,448,851)	6,462,532
Development cost charges	19,894,275	2,269,197	951,941	(6,134,789)	16,980,624
	\$ 29,359,819	\$ 18,175,983	\$ 951,941	\$ (17,360,737)	\$ 31,127,016

7. Long-Term Debt

	2023	2022
Equipment financing loans (a)	\$ 1,651,159	\$ 2,369,094
Long-term borrowing (b)	47,311,640	51,697,289
	\$ 48,962,799	\$ 54,066,383

(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 2023	Equipment loan payable 2022
0001-0 – 2/28/2019	\$ 1,860,000	\$ 1,260,614	\$ 599,386	\$ 944,917
0002-0 – 2/28/2019	2,140,000	1,088,227	1,051,773	1,424,177
	\$ 4,000,000	\$ 2,348,841	\$ 1,651,159	\$ 2,369,094

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

	Principal repayment from the General Capital Fund	Interest Payment	Total
2024	\$ 750,905	\$ 73,667	\$ 824,572
2025	648,538	31,088	679,626
2026	251,716	2,992	254,708
Thereafter	\$ 1,651,159	\$ 107,747	\$ 1,758,906

(iii) Principal paid during the year was \$717,936 (2022 – \$762,997). Interest paid during the year was \$106,636 (2022 – \$61,575).

Notes to Financial Statements

December 31, 2023

(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 3.15%. The weighted average interest rate for 2023 was 2.78% (2022 – 2.70%).

(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 2023	Net debt 2022
Issue 79	2033	3.08%	\$ 10,000,000	\$ 5,120,361	\$ 4,879,639	\$ 5,270,582
Issue 80	2033	2.85%	10,000,000	5,025,310	4,974,690	5,347,401
Issue 81	2034	2.85%	10,000,000	4,755,428	5,244,572	5,618,921
Issue 103	2023	2.65%	1,800,000	1,800,000	-	110,256
Issue 105	2024	2.25%	5,240,015	4,897,236	342,779	788,290
Issue 110	2025	1.28%	5,200,000	4,434,370	765,630	1,191,902
Issue 115	2031	2.12%	10,200,000	5,173,136	5,026,864	5,554,053
Issue 130	2034	3.00%	23,200,000	8,315,305	14,884,695	15,959,864
Issue 139	2036	2.10%	5,500,000	1,579,586	3,920,414	4,166,537
Issue 142	2037	3.15%	9,600,000	2,327,643	7,272,357	7,689,482
			\$ 90,740,015	\$ 43,428,377	\$ 47,311,640	\$ 51,697,289

(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
2024	\$ 2,949,917	\$ 1,466,743	\$ 4,416,660
2025	2,778,320	1,360,994	4,139,314
2026	2,521,310	1,316,785	3,838,095
2027	2,544,305	1,443,870	3,988,175
2028	2,568,195	1,576,042	4,144,237
Thereafter	14,759,286	12,025,873	26,785,159
	\$ 28,121,334	\$ 19,190,307	\$ 47,311,640

(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 \$2,950,516 (2022 – \$3,155,961). Interest paid during the year was \$2,439,196 (2022 – \$2,454,986).

Notes to Financial Statements

December 31, 2023

8. Employee Future Benefit Liability

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

	2023	2022
Accrued benefit obligations:		
Balance, beginning of year	\$ 18,850,200	\$ 19,475,700
Service cost	1,435,500	1,487,300
Interest cost	856,200	502,300
Benefits payments	(2,124,300)	(1,804,900)
Immediate recognition loss (gain) for event driven liabilities	350,500	(41,700)
Actuarial gain	970,500	(2,841,900)
Plan amendment	75,800	2,073,400
Accrued benefit obligation, end of year	20,414,400	18,850,200
Less: unamortized net actuarial gain/(loss)	(970,500)	-
Add: pension over contributions due to staff	543,961	573,326
Employee future benefit liability, end of year	\$ 19,987,861	\$ 19,423,526

The accrued benefit obligations and the benefit costs for the year were estimated by actuarial valuation as of December 31, 2023 by an independent actuarial firm. Key estimates used in the valuation include the following:

	2023	2022
Discount rates	4.10%	4.40%
Expected future inflation rates	2.50%	2.25%
Expected wage and salary increases	2.50%	2.33% to 4.38%
Estimated average remaining service life of employees	12 years	13 years

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

	City	Police	2023	2022
Vested benefits	\$ 4,757,966	\$ 7,647,795	\$ 12,405,761	\$ 12,896,226
Non-vested benefits	7,316,100	266,000	7,582,100	6,527,300
Total accrued benefit liability	\$ 12,074,066	\$ 7,913,795	\$ 19,987,861	\$ 19,423,526

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.

Notes to Financial Statements

December 31, 2023

8. Employee Future Benefit Liability (continued)

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, 2022. At December 31, 2022, the total plan provision for approved claims was \$24,104,700 and the provision for unreported claims was \$1,703,000 with an accumulated deficit of \$3,026,543. The total plan provision for approved and unreported claims and net surplus/deficit at December 31, 2023 will be available later in 2024. The City paid \$849,657 (2022 – \$687,114)

for employer contributions and City employees paid \$813,403 (2022 – \$653,474) for employee contributions to the plan in fiscal 2023.

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, 2023, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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 \$13,294,369 (2022 – \$12,411,219) for employer contributions while City of Victoria employees paid \$11,104,534 (2022 – \$10,288,176) for the Plan in fiscal 2023.

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.

Notes to Financial Statements

December 31, 2023

9. Tangible Capital Assets

	Land and improvements	Buildings	Furniture, equipment, technology, vehicles	Roads, bridges, highways	Water infrastructure	Sewer infrastructure	Drainage infrastructure	Assets under construction	2022 Total	2022 Total
December 31, 2022	\$ 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
Asset retirement obligations	-	1,692,989	-	-	-	-	-	-	1,692,989	-
Additions	394,258	36,997,911	8,307,011	18,665,248	2,180,779	2,630,454	1,640,519	32,725,879	103,542,059	45,652,157
Disposals	-	-	(239,697)	-	-	-	-	(3,546,726)	(3,786,423)	(2,658,093)
Transfer of completed assets previously under construction	3,972,957	472,085	2,109,786	3,443,682	591,764	334,924	14,053	(10,939,251)	-	-
December 31, 2023	177,594,904	162,199,741	111,406,401	313,075,960	95,937,823	51,099,968	47,754,283	30,135,841	989,204,921	887,756,296
Accumulated amortization										
December 31, 2022	(1,238,480)	(61,287,031)	(76,052,773)	(80,109,263)	(14,163,007)	(8,053,569)	(5,142,530)	-	(246,046,653)	(228,613,480)
Disposals	-	-	208,660	-	-	-	-	-	208,660	110,467
Amortization	(253,291)	(5,142,271)	(6,256,760)	(7,190,403)	(1,008,906)	(550,122)	(505,213)	-	(20,906,966)	(17,543,641)
December 31, 2023	(1,491,771)	(66,429,302)	(82,100,873)	(87,299,666)	(15,171,913)	(8,603,691)	(5,647,743)	-	(266,744,959)	(246,046,653)
Net Book Value,										
December 31, 2023	\$ 176,103,133	\$ 95,770,439	\$ 29,305,528	\$ 225,776,294	\$ 80,765,910	\$ 42,496,277	\$ 42,106,540	\$ 30,135,841	\$ 722,459,962	\$ 641,709,643

Notes to Financial Statements

December 31, 2023

9. Tangible Capital Assets

Cost	Land and improvements	Buildings	Furniture, equipment, technology, vehicles	Roads, bridges, highways	Water infrastructure	Sewer infrastructure	Drainage infrastructure	Assets under construction	2022 Total	2021 Total
December 31, 2021	\$ 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
Asset retirement obligations	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
Additions	(1,076,429)	-	(110,467)	-	-	-	-	(1,471,197)	(2,658,093)	(1,606,508)
Disposals	-	-	(239,697)	-	-	-	-	(3,546,726)	(3,786,423)	(2,658,093)
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)	-	-
December 31, 2022	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										
December 31, 2021	(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	-	-	-	-	(1,471,197)	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)
December 31, 2022	(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,

December 31, 2022 \$ 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

a) Work in Progress

Assets under construction having a value of \$29,206,578 (2022 - \$11,895,939) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed Assets

One contributed asset with a value of \$30,000 was recognized in 2023. No contributed assets were recognized during 2022.

c) Write-down of Tangible Capital Assets

No write-down of tangible capital assets occurred during 2023 or 2022.

d) Deposits towards acquisition of tangible capital assets

The City had entered into a contractual arrangement for future acquisition of a building. The total cost of this arrangement was \$35,377,443 towards which the City had paid a deposit of \$3,400,000 in previous years. The remaining obligation to the City of \$31,977,443 was paid in 2023 and the acquisition completed as scheduled.

The City has entered into contractual arrangements for three future acquisitions of real property. In 2023, the City paid total deposits of \$535,000 for these future acquisitions. The deposits are separately presented on the Statement of Financial Position and is not included in the assets under construction figure presented in this note.

The City expects to pay approximately \$14,312,037 to complete those three future acquisitions.

Notes to Financial Statements

December 31, 2023

10. Asset Retirement Obligations

The City's asset retirement obligations consists of the following obligations:

The City owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. The related asset retirement costs are being amortized on a straight line basis over the remaining expected useful life of the related tangible capital assets in accordance with the amortization policies, as disclosed in note 1 (n).

The estimated total future expenditures totaling \$1,741,996 have been discounted using a present value calculation with a discount rate of 4.58%. The timing of these expenditures is estimated to occur between 2024 and 2037. No recoveries are expected at this time.

The impact of the adoption of PSAS 3280 Asset Retirement Obligations on January 1, 2023 is described in Note 2.

Changes to the asset retirement obligations in the year are as follows:

Asset Retirement Obligations	
Balance at January 1, 2023	\$ 1,692,989
Accretion Expense	13,904
Balance at December 31, 2023	<u><u>\$ 1,706,893</u></u>

11. Accumulated Surplus

Accumulated surplus consists of individual fund surplus as follows:

	2023	2022
Surplus		
Equity in tangible capital assets	\$ 671,790,270	\$ 587,643,259
Operating Fund	1,626,299	1,673,877
Underfunded employee benefit obligation	(5,557,610)	(4,604,158)
	<u>667,858,959</u>	<u>584,712,979</u>
Non-Statutory Reserve Accounts		
Development Stabilization Reserve	19,442,954	17,374,828
Reserves		
Financial Stability Reserves	54,616,815	84,492,353
Equipment and Infrastructure Replacement Fund	194,097,236	194,292,278
Tax Sale Lands Fund	8,751,109	8,403,007
Parks and Greenways Acquisition Fund	2,345,923	2,238,798
Local Amenities & Tree	2,659,337	2,128,550
Victoria Housing Fund	8,895,911	7,599,116
Climate Action	3,740,228	3,001,619
Art in Public Places	1,131,227	1,027,481
Downtown Core Area Public Realm Improvements	315,639	661,335
Park Furnishing Dedication Program	93,260	61,636
Growing Communities Fund	12,852,000	-
	<u>289,498,685</u>	<u>303,906,173</u>
Total Accumulated Surplus	<u><u>\$ 976,800,598</u></u>	<u><u>\$ 905,993,980</u></u>

Notes to Financial Statements

December 31, 2023

12. Taxation

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

	Financial Plan 2023	2023	2022
General taxation			
General municipal purposes	\$ 166,257,960	\$ 166,258,930	\$ 155,147,521
Utility 1% tax	1,347,000	1,373,350	1,294,771
Special assessments			
Boulevard frontage	535,200	527,602	532,241
Specified area improvement	71,000	129,094	143,717
Sewer frontage	789,000	795,999	795,861
Total taxes available for municipal purposes	\$ 169,000,160	\$ 169,084,975	\$ 157,914,112

13. Government grants and transfers

	Financial Plan 2023	2023	2022
Unconditional transfers:			
Traffic fine revenue sharing	\$ 2,000,000	\$ 1,988,000	\$ 2,003,713
Conditional transfers:			
Federal	12,984,190	10,365,315	8,418,689
Provincial	1,211,800	15,403,891	4,242,470
Other Agencies	1,029,000	240,112	223,548
	\$ 15,224,990	\$ 26,009,318	\$ 12,884,707

14. Miscellaneous Revenue

	Financial Plan 2023	2023	2022
Cost Sharing	\$ 973,700	\$ 1,457,097	\$ 1,307,240
Arena lease equivalent, share of naming rights and ticket surcharge	590,060	526,650	625,933
Capital Region Emergency Service Telecommunications levy	400,000	290,441	290,037
Bus shelter advertising	150,000	130,288	158,749
Commissions	750	37,595	1,341
Bonus density	-	19,046	344,488
Public Amenity	-	-	410,110
Fortis franchise fee	665,000	849,117	664,861
Other: administrative fees, lease fees	367,230	859,004	550,016
Gain on acquisition and disposal of tangible capital assets	-	44,467	5,832,876
	\$ 3,146,740	\$ 4,213,705	\$ 10,185,652

Notes to Financial Statements

December 31, 2023

15. 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.

	2023	2022
Ross Bay Cemetery	\$ 1,312,989	\$ 1,224,173
Nature Interpretation Centre	716,745	684,015
Bastion Square Revitalization	149,714	142,877
	\$ 2,179,448	\$ 2,051,065

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.

16. Contingent Liabilities

- (a) 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 future 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 \$4,535,756 (2022 – \$4,328,631) 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 are 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 debt is repaid without default, the deposits are refunded to the City. At December 31, 2023 the balance of the deposits was \$1,323,540 (2022 – \$1,310,667). At December 31, 2023 there were contingent demand notes of \$2,245,243 (2022 – \$2,314,040) 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. No liability has been recorded in relation to this. A liability would be recorded if it becomes likely that the Capital Regional District will default on these debt obligations.
- (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, 2023 the Board had an outstanding demand loan of \$484,305 (2022 – \$795,917) with the Bank of Montreal and long-term debt of \$460,780 (2022 – \$540,199) through the Municipal Finance Authority. The City's guarantee portion of the outstanding debt at December 31, 2023 is \$472,543 (2022 – \$668,058). No liability has been recorded in relation to this. A liability would be recorded if it becomes likely that the Board of Cemetery Trustees of Greater Victoria will default on these debt obligations.
- (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.

Notes to Financial Statements

December 31, 2023

17. Financial Plan Data

The financial plan data presented in these financial statements is based on the 2023 operating and capital financial plan approved by Council on May 4, 2023. The below table reconciles the approved financial plan to the financial plan figures reported in these financial statements.

Revenues	
Taxation (Note 12)	\$ 169,000,160
Grants in lieu of taxes	7,317,500
Sale of goods and services	56,818,630
Sale of water	24,747,980
Licences and permits	9,697,370
Fines	5,518,020
Rentals and leases	2,012,750
Investment income	4,000,000
Other interest and penalties	965,960
Unconditional transfers (Note 13)	2,000,000
Conditional transfers (Note 13)	15,224,990
Development cost chargesActuarial adjustment on debt	-
Development cost charges	7,859,000
Miscellaneous revenue (Note 14)	3,146,740
	<u>308,309,100</u>
Expenses	
General government	33,377,600
Protective services	92,521,170
Transportation services	27,534,100
Environmental and public health services	8,936,270
Social services and housing	2,216,390
Planning and development	19,964,120
Parks, recreation and cultural services	32,677,700
Water utility	18,117,980
Sewer utility	4,308,880
	<u>239,654,210</u>
Annual Surplus, per the Statement of Operations	68,654,890
Less:	
Capital expenditures	(180,630,000)
Debt repayments	(2,950,510)
Add:	
Funding and utilizations of reserves	114,925,620
Annual Surplus, per the financial plan bylaw	<u>\$ -</u>

Notes to Financial Statements

December 31, 2023

18. Segmented Information

The City of Victoria is a diversified municipal organization that provides a wide range of services to its residents. 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 are 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 Division, Fire, Police and Bylaw Services. The Emergency Management Division 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, and traffic signal timing.

(d) Environmental and Public Health Services

The Environmental and Public Health Services is comprised of three 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.

(g) Planning and Development

This segment is comprised 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.

Notes to Financial Statements

December 31, 2023

(g) Planning and Development (continued)

- (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 has 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.

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

December 31, 2023

18. Segmented Information (continued)

2023	General Fund						Water Fund	Sewer Fund	Total	
	General Government	Protective Services	Engineering & Transportation Services	Environmental & Public Health Services	Social Services & Housing	Planning and Development	Parks, Recreation and Cultural	Water Utility		Sewer Utility
Revenues										
Taxation	167,761,374	-	-	-	-	-	527,602	-	795,999	169,084,975
Grants in lieu of taxes	7,613,156	-	-	-	-	-	-	-	-	7,613,156
Sale of Goods and services	1,461,295	10,009,837	18,401,878	10,449,823	-	11,012,158	3,011,169	1,540,078	10,417,870	66,304,108
Sale of water	-	-	-	-	-	-	-	26,734,144	-	26,734,144
Licences and permits	1,434,495	1,245,098	2,115,822	-	-	6,567,792	7,937	-	-	11,371,144
Fines	-	51,980	5,386,701	-	-	-	-	-	-	5,438,681
Rentals and leases	-	-	-	-	-	2,194,456	-	-	-	2,194,456
Investment income	16,378,744	-	-	-	-	-	-	-	-	16,378,744
Other interest and penalties	1,089,488	-	-	52,438	-	-	-	264,093	1,700	1,407,719
Unconditional transfers	-	1,988,000	-	-	-	-	-	-	-	1,988,000
Conditional transfers	21,265,966	238,544	447,951	13,691	1,500,677	50,000	71,919	1,922,189	498,381	26,009,318
Actuarial adjustment on debt	1,435,132	-	-	-	-	-	-	-	-	1,435,132
Development Cost Charges	5,307,628	-	-	572	-	-	-	513,000	313,588	6,134,789
Miscellaneous	2,166,690	1,329,266	154,996	-	-	461,095	101,658	-	-	4,213,705
	225,913,967	14,862,726	26,507,349	10,516,525	1,500,677	20,285,502	3,720,283	30,973,503	12,027,538	346,308,071
Expenses										
Salaries, wages and benefits	19,235,896	79,686,717	18,424,141	5,361,131	1,137,720	10,340,638	21,219,620	2,382,783	2,411,626	160,200,271
Materials, supplies and services	3,801,965	14,573,628	8,636,581	3,581,592	254,771	11,436,264	15,837,656	15,287,371	2,513,003	75,922,831
Interest and foreign exchange	362,588	-	1,561,696	-	-	-	877,500	-	-	2,801,784
Grants	-	-	-	-	1,880,324	384,627	4,632,774	-	-	6,897,725
Amortization	3,471,527	2,528,294	8,979,304	661,701	-	698,554	3,008,003	1,009,461	550,122	20,906,966
Capital Maintenance	835,938	936,147	2,418,045	782,760	-	109,961	2,497,000	764,489	427,536	8,771,876
	27,707,915	97,724,786	40,019,766	10,387,184	3,272,815	22,970,043	48,072,553	19,444,103	5,902,287	275,501,453
Annual surplus	\$ 198,206,053	\$ (82,862,060)	\$ (13,512,418)	\$ 129,341	\$ (1,772,137)	\$ (2,684,542)	\$ (44,352,270)	\$ 11,529,400	\$ 6,125,250	\$ 70,806,618

Notes to Financial Statements

December 31, 2023

18. Segmented Information (continued)

2022	General Fund						Water Fund		Sewer Fund		Total
	General Government	Protective Services	Engineering & Transportation Services	Environmental & Public Health Services	Social Services & Housing	Planning and Development	Parks, Recreation and Cultural	Water Utility	Sewer Utility		
Revenues											
Taxation	156,586,009	-	-	-	-	-	532,241	-	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	-	9,481,130	2,711,408	1,935,614	8,845,146	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	-	-	5,038,939	10,076	-	-	-	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	10,401,173	258,699	429,213	72,200	1,020,477	50,000	91,768	429,073	132,106	-	12,884,707
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	8,418,340	1,264,452	76,828	-	-	353,921	72,112	-	-	-	10,185,652
	200,583,667	14,032,912	21,387,438	9,816,989	1,020,477	16,962,190	3,417,606	26,704,338	9,790,472	303,716,088	
Expenses											
Salaries, wages and benefits	16,517,231	74,578,902	17,045,240	4,940,883	1,736,807	8,204,267	18,580,418	2,161,107	2,127,323	145,892,179	
Materials, supplies and services	854,122	11,755,092	8,333,585	3,810,393	463,709	8,895,765	14,759,907	14,452,423	2,247,206	65,572,200	
Interest and foreign exchange	70,693	-	1,558,534	-	-	-	795,000	-	-	2,424,227	
Grants	-	-	-	-	3,583,274	399,365	4,473,127	-	-	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	
	21,335,160	88,504,784	35,927,293	9,818,872	5,783,790	18,181,953	41,155,232	17,840,908	5,657,271	244,205,263	
Annual surplus	\$ 179,248,507	\$ (74,471,872)	\$ (14,539,855)	\$ (1,883)	\$ (4,763,313)	\$ (1,219,763)	\$ (37,737,627)	\$ 8,863,430	\$ 4,133,201	\$ 59,510,825	

Notes to Financial Statements

December 31, 2023

19. Financial risks and concentration of risk

The City is exposed to credit risk, interest rate risk, liquidity risk, and foreign exchange risk from the City's financial instruments as follows.

(a) Credit Risk

Credit risk arises from the City's cash and cash equivalents, accounts receivable, portfolio investments, and mortgage receivable.

Accounts receivable (excluding property taxes receivable as these are not considered financial instruments under PS 3450) consist primarily of amounts receivable from utilities, and transfers from other governments. To manage the risk, the City regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2023, the amount of allowance for doubtful receivables was \$1,020,498 (2022 – \$913,511).

The City manages exposure to credit risk for portfolio investments by ensuring adequate diversification and by investing guaranteed investment certificates with major Canadian financial institutions, and with the MFA. These investment meet the investment requirements of Section 183 of the Community Charter of the Province of BC.

There has been no change to the credit risk exposure from prior year.

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk through its long-term debt and its portfolio investments.

The City manages cash flow risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates do not impact future cash flows or results of operations relating to long-term debt prior to maturity. Note 7 provides further information on the City's long term debt.

Investments subject to interest rate risk are the MFA Pooled Bond Funds disclosed in note 4. As interest rates rise, the fair value of these investments decreases; as interest rates fall, the fair value of these investments increases.

There has been no change to the interest rate risk exposure from prior year.

(c) Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City is exposed to liquidity risk through its accounts payable and accrued liabilities, deposits liability, and long-term debt. The City manages liquidity risk through its planning, budgeting and forecasting process, and by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financing activities to ensure that its financial obligations are met. The City's planning and budgeting process includes both a 1-year budget and 5-year financial plan, each of which includes operational activities and capital investments. The repayment schedule for long-term debt is disclosed in note 7. Other financial liabilities are generally due within the next fiscal year.

There has been no change to the liquidity risk exposure from prior year.

(d) Foreign Exchange Risk

The City has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments immaterial and are short-term in nature and do not give rise to significant foreign currency risk.

There has been no change to the foreign exchange risk exposure from prior year.

20. Comparative Information

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

SUPPLEMENTARY FINANCIAL INFORMATION

**The Corporation
of the City of Victoria**

The following schedule is unaudited

Year Ended December 31, 2023

Supplementary Financial Information

For the year ended December 31, 2022

Schedule A – BC Restart Grant (Unaudited)

	2023	2022
Balance, beginning of the year	\$ -	\$ 1,740,000
Eligible Costs incurred:		
Revenue losses – parking, Victoria Conference Centre and leases	-	(1,740,000)
Balance, end of the year	\$ -	\$ -

Schedule B – Growing Communities Fund (Unaudited)

	2023	2022
Balance, beginning of the year	\$ -	\$ -
Grant received March 2023	12,852,000	-
Eligible Costs incurred	-	-
Balance, end of the year	\$ 12,852,000	\$ -

STATISTICAL INFORMATION

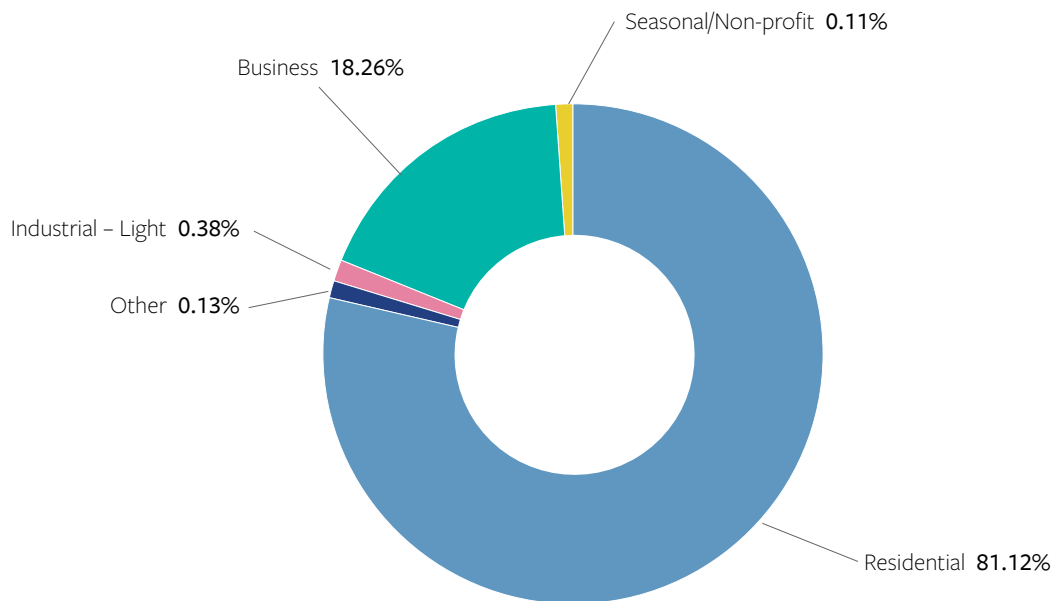
The Corporation of the City of Victoria

Year Ended December 31, 2023

Taxable Assessments of Land and Improvements 2019 – 2023 (IN MILLIONS)

PROPERTY CLASS	2019	2020	2021	2023	2023
Residential	\$ 22,595	\$ 23,226	\$ 24,100	\$ 28,440	\$ 31,308
Utilities	21	24	23	20	22
Industrial – Major	14	16	17	19	24
Industrial – Light	96	106	111	126	148
Business	6,031	6,626	6,309	6,705	7,051
Seasonal/Non-profit	36	37	40	30	42
	\$ 28,794	\$ 30,035	\$ 30,600	\$ 35,340	\$ 38,594

2023 Assessments By Property Class



SOURCE: BC ASSESSMENT

Statistical Information

Property Tax Rates 2019 – 2023

	2019	2020	2021	2022	2023
MUNICIPAL (\$ PER 1000 ASSESSMENT)					
Residential	3.1564	3.1152	3.2209	2.8884	2.8109
Utilities	31.6048	34.4916	35.6621	35.1450	34.7235
Supportive Housing	3.1564	3.1152	3.2209	2.8884	2.8109
Industrial – Major	10.9821	10.3581	10.7096	9.9698	10.6951
Industrial – Light	10.9821	10.3581	10.7096	10.1994	10.6951
Business	10.9821	10.3581	10.7096	10.5323	10.6951
Recreation Non-profit	7.1031	6.8316	7.0635	6.8105	6.2949
TOTAL – Including School, Region, etc. (\$ PER 1000 ASSESSMENT)					
Residential	4.9982	5.0417	5.0976	4.4915	4.3621
Utilities	49.1385	52.2597	53.1973	52.2166	51.4964
Supportive Housing	3.8588	3.8284	3.9168	3.4987	3.4030
Industrial – Major	17.5790	13.2724	17.4101	16.0248	14.5802
Industrial – Light	17.2042	13.9595	17.0507	15.9082	16.2216
Business	17.0034	13.8238	16.8778	16.1302	16.1019
Recreation Non-profit	10.3153	8.5496	10.3102	9.6665	9.0477
MUNICIPAL TAX BILLINGS BY PROPERTY CLASS (IN THOUSANDS)					
Residential	\$ 71,320	\$ 72,352	\$ 77,624	\$ 82,145	\$ 88,003
Utilities	679	821	828	704	748
Industrial – Major	154	169	181	188	258
Industrial – Light	1,054	1,097	1,189	1,282	1,578
Business	66,236	68,634	67,568	70,624	75,409
Recreation Non-profit	257	253	280	204	263
TOTAL	\$ 139,701	\$ 143,327	\$ 147,670	\$ 155,147	\$ 166,259

New Construction 2019 – 2023

	2019	2020	2021	2022	2023
Construction Permits	4,134	3,731	4,232	3,873	4,160
Construction Value (\$ MILLION)	\$ 285	\$ 266	\$ 603	\$ 449	\$ 330
Taxes Generated from New Growth	\$ 3,747,000	\$ 3,626,979	\$ 1,444,940	\$ 1,738,650	\$ 1,308,290

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

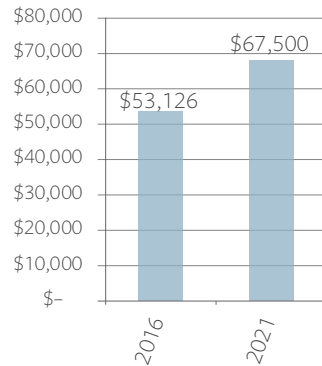
Statistical Information

Labour Force Activity 2019 – 2023

	2019	2020	2021	2022	2023
Victoria Unemployment Rate	4.0%	13.1%	4.7%	3.6%	4.4%
Number of City Employees	1,296	1,242	1,209	1,351	1,388

SOURCE: LABOUR FORCE SURVEY: STATISTICS CANADA

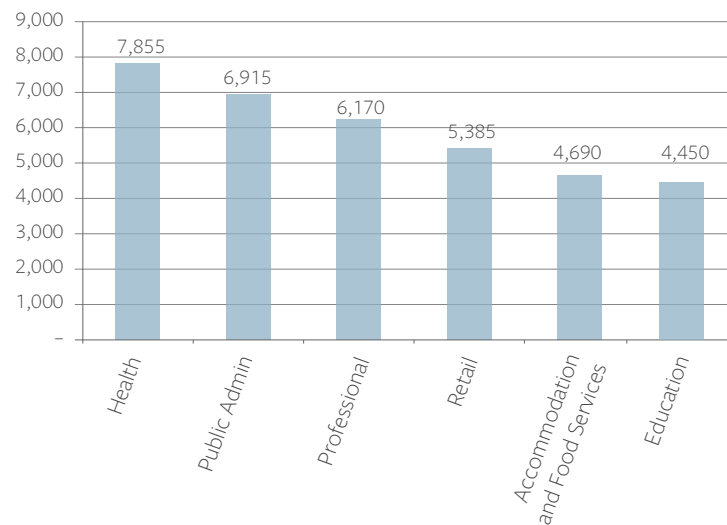
Per Median Household Income



SOURCE: CENSUS PROFILE, 2016 AND 2021
CENSUS: STATISTICS CANADA*

*Census by Statistics Canada is conducted every five years.

Largest Industries of Employment in the City



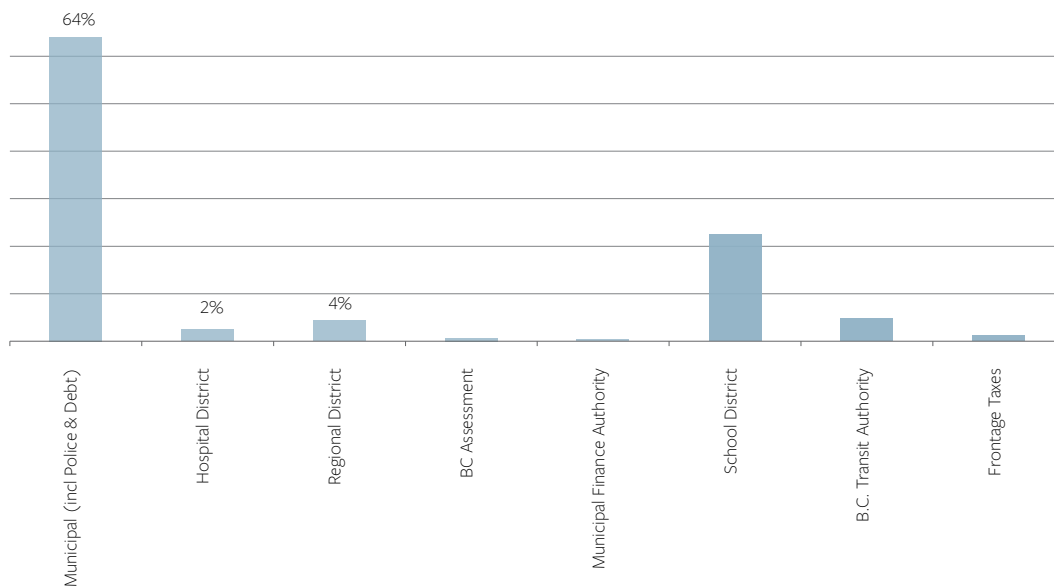
SOURCE: BC DATA CATALOGUE

Statistical Information

Property Tax Levied and Collected 2019 – 2023 (IN THOUSANDS)

	2019	2020	2021	2022	2023
Municipal (incl Police & Debt)	\$ 139,701	\$ 143,327	\$ 147,670	\$ 155,148	\$ 166,259
Hospital District	8,031	7,881	7,324	6,465	6,222
Regional District	9,591	10,716	10,751	11,108	11,315
BC Assessment	1,583	1,773	1,764	1,742	1,791
Municipal Finance Authority	8	8	8	9	10
School District	51,807	38,965	56,855	56,105	58,297
B.C. Transit Authority	9,790	11,051	10,637	10,637	12,366
Frontage Taxes	2,480	2,504	2,614	3,173	3,187
	\$ 222,991	\$ 216,225	\$ 237,624	\$ 244,387	\$ 259,447
Total Current Taxes Levied	\$ 222,991	\$ 222,991	\$ 216,225	\$ 244,387	\$ 259,447
Current Taxes Collected	208,537	221,542	215,800	242,631	257,163
Percentage	99.47%	99.35%	99.80%	99.28%	99.12%
Outstanding at Beginning of Year	\$ 11,206	\$ 10,988	\$ 12,062	\$ 12,504	\$ 14,498
Arrears Collected	10,861	10,528	11,312	11,964	13,837
Percentage	96.92%	95.81%	93.78%	95.68%	95.44%
Total Tax Collections	\$ 219,398	\$ 232,070	\$ 227,112	\$ 254,596	\$ 271,000

2023 Taxes by Jurisdiction



SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

Statistical Information

2023 Principal Corporate Tax Payers

Registered Owner	Primary Property	Taxes Levied
4239440 Canada Inc	Shopping Centre	4,281,930
Hillside Centre Holdings Inc	Shopping Centre	3,440,606
9325875 Canada Inc/Jawl Enterprises Ltd	Office Building	2,772,412
Jawl Precinct Lands Corp	Office Building/Multi-Family	2,487,309
Jawl Holdings Ltd	Stores/Offices	2,135,459
TBC Nominee Inc	Shopping Centre	2,099,774
Jawl Investment Corporation	Office Building	1,957,612
Jim Pattison Developments Ltd	Shopping Centre/Variou	1,535,226
Greater Victoria Harbour Authority	Marine Terminal and Facilities	1,412,000
Jutland Road (Nominee) Inc	Office Building	1,156,825
Grampian Holdings Ltd	Stores/Offices	1,106,041
Empress Title Corp	Hotel	1,030,293
Sussex Place Holding Co Inc	Office Building	966,441
910 Government Holdings Ltd	Stores/Offices	965,898
Gill-Am Investments Ltd	Multi-Family/Office Building	936,966
Bosa Development (Dockside Holdings) Ltd	Multi-Family/Variou	892,490
Telus Communications Inc	Office Building/Telecommunications	856,078
Sophie Investments Inc	Stores/Multi-Family	856,070
1175 Douglas (BC) Properties Inc	Office Building	806,395
Bosa Blue Sky Properties (Pandora) Inc	Stores/Multi-Family	761,106
Ralmax Properties Ltd	Sand and Gravel Facilities/Variou	754,364
655 Tyee Road Holdings Ltd	Office Building	743,636
BC Hydro & Power Authority	Electrical Power Systems	711,887
Andrew Sheret Holdings Ltd	Stores/Offices	690,262
903-911 Yates Street Properties Ltd	Shopping Centre	665,988
Paul's Restaurants Ltd	Hotel	636,776
Concert Real Estate Corp	Community Centre/Variou	618,569
0922010 BC Ltd	Office Building	612,606
Capreit Apartments Inc	Multi-Family Apartment	608,095
2925 Holdings Ltd	Automobile Dealership	593,791
		\$39,092,903

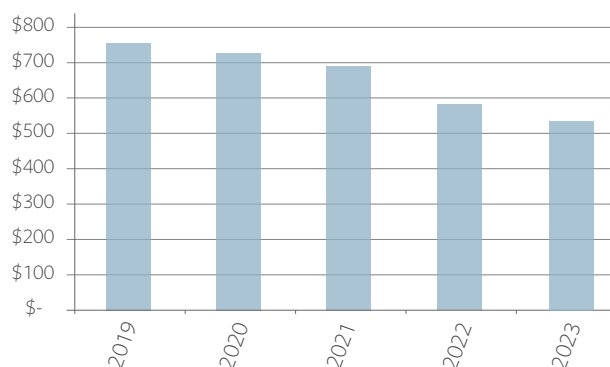
Statistical Information

Debenture Debt 2019 – 2023 (IN THOUSANDS)

	2019	2020	2021	2022	2023
Debenture Debt					
Gross Outstanding Debt	\$ 95,249	\$ 95,249	\$ 95,249	\$ 95,249	\$ 90,740
Less: Sinking Fund Payments	30,114	34,412	38,899	43,552	43,428
Net Debenture Debt	\$ 65,135	\$ 60,837	\$ 56,350	\$ 51,697	\$ 47,312
Non-debenture Debt (MFA equipment financing loan):					
Gross Outstanding Debt	-	\$ 1,860	\$ 4,000	\$ 4,000	\$ 4,000
Less: Principal Repaid	-	181	868	1,631	2,349
Net Non-debenture Debt	-	\$ 1,679	\$ 3,132	\$ 2,369	\$ 1,651
Total Net Debt	\$ 65,135	\$ 62,516	\$ 59,482	\$ 54,066	\$ 48,963
General	\$ 60,183	\$ 58,472	\$ 56,397	\$ 51,976	\$ 47,854
Parking Services	4,951	4,043	3,085	2,090	1,108
Net Debt	\$ 65,135	\$ 62,516	\$ 59,482	\$ 54,066	\$ 48,962
General	\$ 5,028	\$ 5,162	\$ 5,721	\$ 5,842	\$ 5,624
Victoria Conference Centre	-	-	-	-	-
Parking Services	786	678	614	593	590
Total Debt Servicing Costs	\$ 5,814	\$ 5,840	\$ 6,335	\$ 6,435	\$ 6,214
Population	85,792	85,792	85,792	91,867	91,867
Net Debt per Capita	\$ 759	\$ 729	\$ 693	\$ 589	\$ 533
Debt Servicing per Capita	\$ 68	\$ 68	\$ 74	\$ 70	\$ 68
Debt Service as % of Expenses	2.79%	2.77%	2.92%	2.64%	2.26%
# of Households	49,212	49,212	49,212	49,222	49,222
Gross Debt Servicing Limit	\$ 64,465	\$ 61,121	\$ 63,755	\$ 69,697	\$ 78,179

Per Capita Net Debt

SOURCE: MUNICIPAL FINANCE AUTHORITY
SOURCE: POPULATION: STATISTICS CANADA



Statistical Information

Statement of Financial Position 2019 – 2023 (IN THOUSANDS)

	2019	2020	2021	2022	2023
Financial Assets	\$ 350,811	\$ 357,195	\$ 385,160	\$ 417,340	\$ 414,303
Financial Liabilities	\$ 164,834	\$ 158,785	\$ 161,875	\$ 159,577	\$ 165,692
Net Financial Assets/(Net Debt)	\$ 185,977	\$ 198,410	\$ 223,285	\$ 257,763	\$ 248,611

Revenue and Expenses 2019 – 2023 (IN THOUSANDS)

Revenue	2019	2020	2021	2022	2023
Property Taxes	\$ 142,529	\$ 146,123	\$ 150,473	\$ 157,914	\$ 169,085
Payment In Lieu of Taxes	6,683	6,701	7,070	7,359	7,613
Sales of Services	56,446	40,517	42,936	58,259	66,304
Sale of Water	21,764	21,690	23,606	23,990	26,734
Licences and Permits	6,810	7,580	8,907	9,706	11,371
Fines	3,596	2,721	3,936	4,560	5,439
Rentals and Leases	1,637	1,030	2,226	2,038	2,194
Other penalties and interest	742	592	744	7,345	16,379
Investment income	6,864	4,860	2,817	1,085	1,408
Unconditional					
Government Transfers	1,883	8,719	2,205	2,004	1,988
Conditional Government Transfers	10,557	5,339	13,728	12,866	26,009
Development Cost Charges	2,464	1,255	3,675	4,889	6,135
Other	10,394	11,589	11,359	11,701	5,649
	\$ 272,370	\$ 258,715	\$ 273,682	\$ 303,716	\$ 346,308

Expenses by Function

General Government	\$ 19,276	\$ 18,542	\$ 21,464	\$ 33,600	\$ 27,708
Protective Services	80,288	83,796	84,632	88,215	97,725
Transportation Services	32,151	31,951	32,138	34,041	40,020
Environmental/Public Health	8,774	9,550	9,022	9,819	10,387
Social Services and Housing	1,067	1,816	1,883	4,014	3,273
Planning and Development	16,663	12,129	10,934	20,889	22,970
Parks Recreation and Cultural	29,946	31,646	34,212	30,129	48,073
Water Utility	15,970	16,617	17,654	17,841	19,444
Sewer Utility	4,367	4,929	4,753	5,657	5,902
	\$ 208,502	\$ 210,976	\$ 216,693	\$ 244,205	\$ 275,501

Expenses by Object

Salaries Wages and Benefits	\$ 123,057	\$ 127,926	\$ 137,139	\$ 145,892	\$ 160,200
Materials Supplies and Services	59,758	56,273	52,039	65,572	75,923
Interest & Other	11,010	11,227	10,855	14,931	18,471
Amortization	14,677	15,550	16,659	17,810	20,907
	\$ 208,502	\$ 210,976	\$ 216,693	\$ 244,205	\$ 275,501

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

Statistical Information

Statement of Operations 2019 – 2023 (IN THOUSANDS)

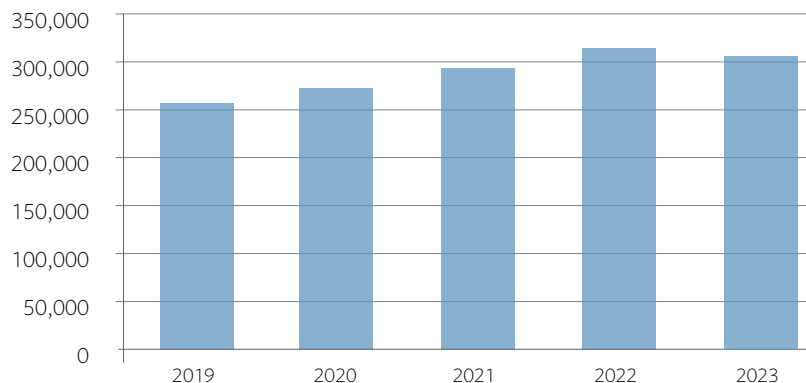
	2019	2020	2021	2022	2023
Accumulated Surplus, Beginning of Year	\$ 677,888	\$ 741,755	\$ 789,494	\$ 846,483	\$ 905,994
Annual Surplus/(Deficit)	63,867	47,739	56,989	59,511	70,807
Accumulated Surplus, End of Year	\$ 741,755	\$ 789,494	\$ 846,483	\$ 905,994	\$ 976,801

Reserve Funds and Statement of Surplus 2019 – 2023 (IN THOUSANDS)

	2019	2020	2021	2022	2023
Reserve Funds					
Operating Fund	\$ 3,330	\$ -	\$ 4,838	\$ 1,674	\$ 1,626
Financial Stability Reserves	67,495	72,435	77,984	84,492	54,617
Equipment and Infrastructure Replacement Fund	167,713	168,511	179,330	194,292	194,097
Tax Sale Lands Fund	3,953	4,003	3,302	8,403	8,751
Parks and Greenways Acquisition Fund	2,183	1,497	1,465	2,239	2,346
Local Amenities	766	1,062	1,238	2,129	2,659
Victoria Housing Fund	4,265	5,146	6,926	7,599	8,896
Climate Action	1,164	1,443	2,108	3,002	3,740
Art in Public Places	772	836	896	1,027	1,131
Downtown Core Area Public Realm Improvements	222	226	228	661	316
Downtown Heritage Building Seismic Upgrades	155	-	-	-	-
Park Furnishing Dedication Program	14	26	33	62	93
Development Stabilization Reserve Account	7,230	10,396	14,718	17,375	19,443
COVID19 Safe Restart Grant	-	6,435	1,740	-	-
Growing Communities Fund	-	-	-	-	12,852
Less: Unfunded Employee Benefit Obligations	(4,744)	(4,931)	(4,858)	(4,604)	(5,558)
Total Reserves	\$ 254,519	\$ 267,086	\$ 289,949	\$ 318,351	\$ 305,009

Reserves

(IN THOUSANDS)



Statistical Information

Capital Expenditures and Funding Sources 2019 – 2023 (IN THOUSANDS)

	2019	2020	2021	2022	2023
Expenditures					
Civic Facilities	\$ 3,064	\$ 11,359	\$ 3,147	\$ 2,614	\$ 39,641
Equipment	3,746	7,204	8,144	6,764	8,933
Streets	6,007	6,865	8,527	7,242	27,229
Transportation & Development	12,737	9,385	7,682	9,087	6,719
Storm Drains	-	-	-	-	-
Parks	3,701	3,870	6,610	2,637	7,719
Planning & Development	2,313	2,017	2,198	11,665	5,451
Shoreline Protection	-	-	-	-	-
Revitalization	-	-	-	-	6
Downtown Revitalization	-	-	-	-	-
Environmental Remediation	41	12	49	32	77
Water Utility	187	68	201	6	236
Sewer Utility	4,731	5,439	6,163	4,850	8,867
Victoria Conference Centre	7,600	4,474	6,232	3,849	4,485
	116	529	799	401	108
	\$ 44,243	\$ 51,223	\$ 49,752	\$ 49,149	\$ 109,471
Funding Sources					
Property Taxes	\$ 11,140	\$ 9,577	\$ 11,290	\$ 11,640	\$ 11,540
Equipment & Infrastructure	6,558	19,901	8,828	10,880	23,980
Tax Sale Land Reserve	187	68	790	1,011	104
Development Cost Charges	2,464	1,260	3,675	4,889	6,135
Climate Action	-	5	32	-	151
Financial Stability	9	107	115	432	-
Parks and Greenways Acquisition	864	1,005	46	32	32
Economic Development Reserve	-	-	-	-	-
Parks and Recreation Facility Reserve	-	-	-	1,200	-
Parking Reserve	514	342	171	20	617
Trust Funds	-	-	93	-	-
Grants and Partnerships	3,285	1,853	2,092	4,284	6,762
Canada Bldg Comm Fund (prev Gas Tax)	3,980	446	5,575	2,729	9,118
Debt	0	1,847	2,153	-	35,084
Water Utility	4,593	5,299	5,036	4,309	6,432
Sewer Utility	6,327	4,272	5,336	3,701	3,673
Storm Water Utility	2,294	3,513	2,932	1,788	3,176
Victoria Conference Centre	-	0	0	0	0
Save On Foods Memorial Centre	366	88	130	118	30
Police Equipment & Infrastructure	1,231	1,548	1,257	1,410	1,098
Affordable Housing Reserve	-	-	-	-	-
Local Amenities	0	0	0	0	32
Other	430	92	202	707	1,507
	\$ 44,243	\$ 51,223	\$ 49,752	\$ 49,149	\$ 109,471

SOURCE: CITY OF VICTORIA FINANCE DEPARTMENT

Statistical Information

2023 Grants

	Grants	Exemption from Property Taxes	Total
1UP Victoria Single Parent Resource Centre Society	\$ -	\$ 9,765	\$ 9,765
Aboriginal Coalition to End Homelessness Society	274,532		274,532
African Art and Cultural Community Centre	16,400		16,400
Afro Latin Cultural Exchange Society	2,500		2,500
Ali-Pineda, Isabella (Mayor's Entrepreneur Award)	250		250
Alter Arts Society	3,880		3,880
Anawim Companions Society	72,500	5,537	78,037
Anglican Synod of the Diocese of BC		140,895	140,895
Art Gallery of Greater Victoria	12,800	99,347	112,147
Arthritis Society		15,572	15,572
Arts on View Society, The	7,028		7,028
Astros Filmic Society	2,132		2,132
Awor, Mickel	5,500		5,500
Bayanihan Cultural and Housing Society	930	4,343	5,273
BC Accordion and Tango Society	3,000		3,000
BC Black History Awareness Society	9,600		9,600
BC Muslim Association		4,067	4,067
BC Society for the Prevention of Cruelty to Animals		44,646	44,646
Beacon Community Services		36,513	36,513
Belfry Theatre Society	20,000	30,599	50,599
Belfry Theatre Society & Fernwood Neighbourhood Group	10,400		10,400
Bialy Orzel Polish Association White Eagle		12,288	12,288
Bike Victoria Society	1,390		1,390
Bishop of Victoria		21,282	21,282
Blue Bridge Theatre Society	15,234		15,234
Burnside Gorge Community Association	163,594		163,594
Cabaret Voltairs Scoiete & Diversions	1,400		1,400
Camas Educational Society	7,500		7,500
Canadian Cancer Society		57,475	57,475
Canadian Orca Rescue Society	8,500		8,500
Canadian Red Cross Society		78,416	78,416
Capital Bike	10,500		10,500
Capital Region Food and Agriculture Initiative Roundtable	8,599		8,599
Capital Regional Hospital District	21,102		21,102
Capital Regional District	100,000		100,000
Caravan Stage Society	2,400		2,400
Casa Maria Emergency Housing Society		3,702	3,702
Centennial United Church		27,524	27,524
Central Baptist Church		19,029	19,029
Central Middle School	1,500		1,500
Chabad of Vancouver Island	5,147	5,495	10,642
Chinese Canadian Museum Society of BC	1,500		1,500
Church of Jesus Christ of Latter-day Saints in Canada		27,550	27,550
Church of Our Lord		17,884	17,884
Church of Truth – Community of Conscious Livng		6,144	6,144

Statistical Information

2023 Grants

	Grants	Exemption from Property Taxes	Total
Clover Point Anglers' Association		2,764	2,764
Community of Christ		10,576	10,576
Community Social Planning Council of Greater Victoria	110,000		110,000
Congregation Emanu-El		1,863	1,863
Cook Street Village Activity Centre Society (New Horizons)	132,869		132,869
Cook Street Village Business Association	2,400		2,400
Cornerstone Christian Fellowship		2,704	2,704
Craigdarroch Castle Historical Museum Society		140,349	140,349
Cridge Centre for the Family		9,037	9,037
Culture Den	4,960		4,960
Customs House Building (Heritage)		259,896	259,896
Dance Victoria	4,000		4,000
Dorsainvil, Solange	4,500		4,500
Downtown Blanshard Advisory Committee	8,520		8,520
Downtown Residents' Association	108,144		108,144
Downtown Victoria Business Association	78,404		78,404
Eidsvold No. 53 Sons of Norway		12,502	12,502
Emily Carr String Quartet	2,080		2,080
Evans, Terrel	5,000		5,000
Fairfield Gonzales Community Association	213,157		213,157
Fernwood Community Association	25,400	12,652	38,052
Fernwood Neighbourhood Resource Group	145,414		145,414
Fernwood Neighbourhood Resource Group/ Between the Words Theatre Society	1,500		1,500
Firefighters' Burn Fund, Victoria BC		2,940	2,940
First Baptist Church		4,350	4,350
First Church of Christ Scientist		13,377	13,377
First Metropolitan United Church		28,207	28,207
First Open Heart Society of BC		3,989	3,989
Flamenco de la Isla Society	10,100		10,100
Food Eco-District Restaurant Society	9,859		9,859
Foursquare Gospel Church of Canada		2,109	2,109
Franciscan Friars of Western Canada		5,054	5,054
Free B Film Festival	5,000		5,000
Freshwater Fisheries Society of BC		13,904	13,904
Garden City Electronic Music Society	15,900		15,900
Garesche Stables and Offices Building (Heritage)		37,452	37,452
Glad Tidings Church, Victoria		92,541	92,541
Gonzales Community Association	1,500		1,500
Gorge View Society	147,500		147,500
Gorge Waterway Action Society	1,500		1,500
Governing Council of the Salvation Army in Canada		47,018	47,018
Grace Evangelical Lutheran Church		30,946	30,946
Greater Victoria Citizens' Counselling Centre		14,224	14,224
Greater Victoria Festival Society	17,200		17,200

Statistical Information

2023 Grants

	Grants	Exemption from Property Taxes	Total
Greater Victoria Folk Festival Society	2,000		2,000
Greater Victoria School District #61	90,240		90,240
Gurdwara Singh Sabha Society of Victoria	4,000	9,291	13,291
Harvest and Share Food Relief Society	10,879		10,879
Help Fill a Dream	5,200		5,200
Here in Canada	900		900
Holdstock, Pauline (Butler Book Prize winner)	5,000		5,000
Hook Sin Tong Building (Heritage)		28,779	28,779
Hungarian Society of Victoria		5,118	5,118
Impulse Theatre Society	2,400		2,400
InnovativeCommunities.Org Foundation		5,436	5,436
Intercultural Association	1,500		1,500
International Tea Appreciation Society	1,400		1,400
Intrepid Theatre Company	51,000		51,000
Island Community Mental Health Association		36,973	36,973
Island Corridor Foundation		55,318	55,318
James Bay Anglers' Association		3,920	3,920
James Bay Athletic Association	3,600		3,600
James Bay Community School Centre	118,298		118,298
James Bay Health and Community Services Society		26,214	26,214
James Bay Neighbourhood Association	48,599		48,599
James Bay New Horizons Society	117,460		117,460
James Bay United Church		17,138	17,138
Janion Hotel Building (Heritage)		79,701	79,701
Jeux de la Francophone	25,000		25,000
Jewish Community Centre of Victoria	6,000		6,000
John Howard Society of Victoria		9,245	9,245
John-Mitchell, Janice	5,000		5,000
Jubilee Congregation of Jehovah's Witnesses		8,611	8,611
Kalghidhar Shiromani Society		4,879	4,879
Keystone Victoria Christian Ministries		4,790	4,790
Khalsa Diwan Society of Victoria		23,403	23,403
Kiwanis Club of Victoria		13,838	13,838
Kiwanis Village Society of Victoria	152,500		152,500
Langham Court Theatre Society		23,554	23,554
Langley Street Rehab Law Chambers (Heritage)		53,326	53,326
Laren Society		10,988	10,988
Loo Chew Fan Building/Ning Yung Building (Heritage)		41,309	41,309
Lum Sam Building/Lee Chong Tenement Building (Heritage)		69,514	69,514
Maplewood Gospel Hall		7,629	7,629
Martitime Museum of British Columbia	1,416		1,416
McLaughlin, Julie (Children's Book Prize winner)	5,000		5,000
Mental Health Society of Greater Victoria	5,040		5,040
Mexican Canadian Community Association of Victoria	3,000		3,000
Mi-Kon, Hayes	5,000		5,000

Statistical Information

2023 Grants

	Grants	Exemption from Property Taxes	Total
Ministry of Casual Living	12,960		12,960
Mustard Seed Street Church		7,711	7,711
New England Hotel Building (Heritage)		29,830	29,830
North Jubilee Neighbourhood Association	18,720		18,720
North Park Neighbourhood Association	93,609		93,609
Oak Bay Gospel Assembly		6,597	6,597
Oak Bay United Church	6,320		6,320
Oaklands Chapel		5,568	5,568
Oaklands Community Association	159,529	3,581	163,110
Open Door Spiritualist Church		3,745	3,745
Open Space Arts Society		10,952	10,952
Other Guise Theatre Company	85,840		85,840
Our Place Society	119,500		119,500
Pacific Housing Advisory Association	250,000	4,337	254,337
Pacific Opera Victoria	41,320		41,320
Pacific Peoples' Partnership	1,200		1,200
Parkdale Evangelical Free Church		5,053	5,053
Penmar Community Arts Society	75,000		75,000
Pro Art Alliance of Greater Victoria	10,000		10,000
Promis Block/Warner Building (Heritage)		67,614	67,614
Quadra Village Community Centre	128,659		128,659
Religious Society of Friends		11,746	11,746
REP Here in Canada	3,600		3,600
Restorative Justice Victoria	34,532		34,532
Rockland Community Association	26,850		26,850
Rockland Neighbourhood Association	6,756		6,756
Ross Bay Villa Society		4,001	4,001
Royal and McPherson Theatre Society		103,753	103,753
Royal Canadian Legion, Trafalgar/Pro Patria Branch 292		80,326	80,326
Saanich Peninsula Folk & Fiddle Festival Society	2,640		2,640
Saint Germain Foundation Of Canada (Victoria Branch)		4,564	4,564
Saint Sophia Parish Of The Russian Orthodox Church		4,343	4,343
Scouts Canada – Camus Scouts	7,500		7,500
Scouts Canada 2nd Fort Victoria Group		14,826	14,826
Shekinah Homes Society		5,419	5,419
Silver Threads Service	235,090		235,090
Sleen, George (Mayor's Entrepreneur Award)	250		250
SNAFU Dance Theatre Society	5,200		5,200
Societe Francophone de Victoria	8,400		8,400
Society of Saint Vincent de Paul of Vancouver Island		21,615	21,615
Solid Outreach Society	119,853		119,853
Songhees & Esquimalt Nations	200,000		200,000
South Island Prosperity Partnership	230,047		230,047
South Jubilee Neighbourhood Association	33,939		33,939
St. Andrew's Presbyterian Church		28,126	28,126

Statistical Information

2023 Grants

	Grants	Exemption from Property Taxes	Total
Surfrider Foundation Canada Chapters	1,500		1,500
Theatre SKAM Association	39,000		39,000
Threshold Housing Society		6,679	6,679
Thrive Social Services Society		17,797	17,797
TLC (The Land Conservancy) of BC		33,215	33,215
Ukrainian Catholic Church of St. Nicholas		18,551	18,551
Umbrella Society for Addiction and Mental Health		2,572	2,572
United Way Southern Vancouver Island	1,366		1,366
Vancouver Island Persons Living with HIV/AIDS Society	5,440		5,440
Vancouver Island South Film and Media Commissions	45,000		45,000
Victoria Arts Council	1,500		1,500
Victoria Association For Community Living		7,769	7,769
Victoria BC Ska & Reggae Society	32,900		32,900
Victoria Chinese Alliance Church		5,293	5,293
Victoria Chinese Pentecostal Church		6,412	6,412
Victoria Chinese Presbyterian Church		12,539	12,539
Victoria Civic Heritage Trust	1,073,650		1,073,650
Victoria Community Food Hub Society	1,100		1,100
Victoria Compost And Conservation Education Society	20,859		20,859
Victoria Conservatory of Music	24,760	147,860	172,620
Victoria Cool Aid Society	82,700	68,301	151,001
Victoria Curling Club	14,160		14,160
Victoria Dragon Boat Festival Society	11,700		11,700
Victoria Edelweiss Club, German Canadian Cultural Society of Victoria		12,067	12,067
Victoria Events Society	14,040		14,040
Victoria Festival of Authors Society	6,000		6,000
Victoria Filipino Canadian Association	4,200		4,200
Victoria Film & Video Festival	11,500		11,500
Victoria Food Hub Society	1,579		1,579
Victoria Heritage Foundation	264,240		264,240
Victoria Highland Games Association	16,500		16,500
Victoria Hockey League Society	100,000		100,000
Victoria Immigrant and Refugee Centre Society	10,000		10,000
Victoria Italian Assistance Centre		35,048	35,048
Victoria Jazz Society	23,500		23,500
Victoria Multi-Cultural Society	1,680		1,680
Victoria Native Friendship Centre		42,178	42,178
Victoria Pride Society	13,800		13,800
Victoria Sexual Assault Centre Society		9,668	9,668
Victoria Shambhala Centre		2,682	2,682
Victoria Social Innovation Centre Society		35,398	35,398
Victoria Symphony Society	17,500		17,500
Victoria Tool Library	7,500		7,500
Victoria Truth Centre		3,034	3,034
Victoria West Community Association	171,703		171,703

Statistical Information

2023 Grants

	Grants	Exemption from Property Taxes	Total
Victoria Women in Need Community Cooperative		10,489	10,489
Victoria Women's Transition House Society		22,028	22,028
Victoria Youth Empowerment Society		11,519	11,519
Volunteer Victoria	26,000		26,000
White Eagle Polish Association	1,640		1,640
Wholesale Woolens Building (Heritage)		23,273	23,273
Wiser Development Society	7,500		7,500
	\$ 6,486,984	\$ 2,913,583	\$ 9,400,566

The City of Victoria is located on the homelands of the Songhees Nation and the Esquimalt Nation.



City of Victoria
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