

***DRAFT*** Financial Statements of

**THE CORPORATION OF THE  
CITY OF VICTORIA**

Year ended December 31, 2013

# THE CORPORATION OF THE CITY OF VICTORIA

Financial Statements

***DRAFT***

Year ended December 31, 2013

## Financial Statements

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## **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 compliance with legislation, and in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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

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*Chief Administrative Officer*

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*Director of Finance*

# INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of The Corporation of the City of Victoria, which comprise the statement of financial position as at December 31, 2013, the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

## *Management's Responsibility for the Financial Statements*

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

## *Auditors' Responsibility*

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

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

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

## *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Corporation of the City of Victoria as at December 31, 2013, and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

April 24, 2014

Victoria, Canada

# THE CORPORATION OF THE CITY OF VICTORIA

Statement of Financial Position

**DRAFT**

December 31, 2013, with comparative information for 2012

	2013	2012
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 77,029,860	\$ 68,674,544
Accounts receivable:		
Property taxes	3,689,048	4,049,099
Other (note 3)	23,990,209	20,668,188
Investments (note 4)	79,947,834	67,966,042
Other assets	820,177	837,019
	<u>185,477,128</u>	<u>162,194,892</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 5)	25,713,605	19,975,979
Deposits and prepayments	8,165,942	7,497,496
Deferred revenue (note 6)	11,374,879	11,254,243
Long-term debt (note 7)	48,684,183	51,793,520
Obligations under capital lease (note 8)	428,679	569,919
Employee future benefit obligations (note 9)	14,139,728	13,266,418
	<u>108,507,016</u>	<u>104,357,575</u>
<b>Net financial assets</b>	<b>76,970,112</b>	<b>57,837,317</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 10)	357,742,684	341,183,966
Inventory of supplies	861,738	811,715
Prepaid expenses and deposits	633,735	760,732
	<u>359,238,157</u>	<u>342,756,413</u>
<b>Accumulated surplus (note 11)</b>	<b>\$ 436,208,269</b>	<b>\$ 400,593,730</b>

Commitments (note 15)

Contingent liabilities (note 16)

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

On behalf of the City:

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Director of Finance

# THE CORPORATION OF THE CITY OF VICTORIA

## Statement of Operations

### **DRAFT**

Year ended December 31, 2013, with comparative information for 2012

	Budget (note 17)	2013	2012
<b>Revenue:</b>			
Net taxes available for municipal purposes (note 12)	\$ 117,218,660	\$ 117,527,959	\$ 113,627,445
Net grants in lieu of taxes available for municipal purposes	5,810,400	6,002,398	5,694,671
Sale of goods and services	37,365,635	39,213,870	37,762,019
Sale of water	17,247,408	18,014,368	15,734,163
Licences and permits	3,695,500	3,762,836	3,553,329
Fines	5,080,000	4,648,084	5,274,661
Rentals and leases	925,000	964,149	995,575
Other penalties and interest	2,480,000	3,140,578	3,284,492
Government transfers (note 13)	24,521,978	10,354,581	13,215,076
Actuarial adjustment on debt	-	473,053	608,236
Miscellaneous	3,971,532	5,442,979	4,911,545
<b>Total revenue</b>	<b>218,316,113</b>	<b>209,544,855</b>	<b>204,661,212</b>
<b>Expenses:</b>			
General government	36,989,370	36,887,351	39,122,389
Protective services	62,657,146	64,194,738	61,021,975
Transportation services	19,232,012	20,345,311	20,326,562
Environmental and public health services	6,381,874	6,573,576	6,079,537
Community planning	3,205,002	2,883,739	3,128,821
Parks recreation and community development	23,995,203	24,916,529	25,346,991
Water utility	12,517,685	12,895,938	12,549,516
Sewer utility	2,499,759	5,233,134	3,347,289
<b>Total expenses</b>	<b>167,478,051</b>	<b>173,930,316</b>	<b>170,923,080</b>
<b>Annual surplus</b>	<b>50,838,062</b>	<b>35,614,539</b>	<b>33,738,132</b>
<b>Accumulated surplus, beginning of year</b>	<b>400,593,730</b>	<b>400,593,730</b>	<b>366,855,598</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 451,431,792</b>	<b>\$ 436,208,269</b>	<b>\$ 400,593,730</b>

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

# THE CORPORATION OF THE CITY OF VICTORIA

## Statement of Change in Net Financial Assets

### **DRAFT**

Year ended December 31, 2013, with comparative information for 2012

	Budget (note 17)	2013	2012
Annual surplus	\$ 50,838,062	\$ 35,614,539	\$ 33,738,132
Acquisition of tangible capital assets	(83,149,750)	(28,522,210)	(29,713,991)
Amortization of tangible capital assets	-	9,584,265	8,666,776
Loss (gain) on disposal of tangible capital assets	-	(172,514)	(4,798)
Proceeds on disposal of tangible capital assets	-	2,551,741	70,005
	(83,149,750)	(16,558,718)	(20,982,008)
Consumption of inventory of supplies	-	(50,023)	(14,234)
Purchase of prepaid expenses and deposits	-	126,997	(233,119)
	-	76,974	(247,353)
Change in net financial assets	(32,311,688)	19,132,795	12,508,771
Net financial assets, beginning of year	57,837,317	57,837,317	45,328,546
Net financial assets, end of year	\$ 25,525,629	\$ 76,970,112	\$ 57,837,317

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

# THE CORPORATION OF THE CITY OF VICTORIA

## Statement of Cash Flows

### **DRAFT**

Year ended December 31, 2013, with comparative information for 2012

	2013	2012
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 35,614,539	\$ 33,738,132
Items not involving cash:		
Amortization of tangible capital assets	9,584,265	8,666,776
Loss (gain) on disposal of tangible capital assets	(172,514)	(4,798)
Change in employee benefits and other liabilities	873,310	969,064
Actuarial adjustment on debt	(473,053)	(608,236)
Change in non-cash operating assets and liabilities:		
Accounts receivable - other	(3,322,021)	50,223
Property taxes receivable	360,051	(231,294)
Other financial assets	16,842	108,358
Accounts payable and accrued liabilities	5,737,626	2,559,222
Deposits and prepayments	668,446	1,414,990
Deferred revenue	120,636	748,006
Inventory of supplies	(50,023)	(14,234)
Prepaid expenses and deposits	126,997	(233,119)
	49,085,101	47,163,090
<b>Capital activities:</b>		
Cash used to acquire tangible capital assets	(28,522,210)	(29,713,991)
Proceeds on disposal of tangible capital assets	2,551,741	70,005
	(25,970,469)	(29,643,986)
<b>Investing activities:</b>		
Decrease (increase) in investments	(11,981,792)	1,188,780
<b>Financing activities:</b>		
Debt repaid	(2,636,284)	(4,742,141)
Capital lease repaid	(141,240)	(138,409)
	(2,777,524)	(4,880,550)
Increase in cash and cash equivalents	8,355,316	13,827,334
Cash and cash equivalents, beginning of year	68,674,544	54,847,210
Cash and cash equivalents, end of year	\$ 77,029,860	\$ 68,674,544

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



# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements

**DRAFT**

Year ended December 31, 2013

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

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

## 1. Significant accounting policies:

The financial statements of The Corporation of the City of Victoria (the "City") are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the City are as follows:

### (a) Reporting entity:

The financial statements include a combination of all the assets, liabilities, accumulated surplus, revenues and expenses of all of the City's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

#### (i) Consolidated entities

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

#### (ii) Funds held in trust

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

### (b) Basis of accounting:

The City follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### (c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 1. Significant accounting policies (continued):

### (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.

### (e) Deposits and prepayments:

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

### (f) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved bylaw rates and the anticipated assessment related to the current year.

### (g) Investment income:

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

### (h) Cash and cash equivalents:

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

### (i) Long-term debt:

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

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 1. Significant accounting policies (continued):

### (j) Employee future benefits:

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

Sick leave and other retirement benefits are also available to the City's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

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

### (k) Non-financial capital assets:

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

#### (i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The 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:

Asset	Useful life - years
Buildings	20 - 50
Furniture, equipment, technology and motor vehicles	5 - 25
Roads, bridges and highways	10 - 80
Water infrastructure	35 - 100
Sewer infrastructure	50 - 100
Drainage infrastructure	50 - 100

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 1. Significant accounting policies (continued):

### (k) Non-financial capital assets (continued):

#### (i) Tangible capital assets (continued)

Amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### (ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (iii) Natural resources

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

#### (iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

#### (v) Interest capitalization

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

#### (vi) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

#### (vii) Inventories of supplies

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

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 1. Significant accounting policies (continued):

### (l) Use of estimates:

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

### (m) Foreign currency:

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

### (n) Change in accounting policy:

The City adopted Public Sector Accounting Standard PS 3510, "Tax Revenue" effective January 1, 2013. This standard was adopted on a prospective basis.

Under PS 3510, municipalities recognize property tax revenue using the approved mill rate and the anticipated assessment. The standard requires that property tax revenue be reported net of tax concessions. Tax transfers are reported as an expense and taxes levied on behalf of others in a flow through arrangement are not reported in the statement of operations.

There were no adjustments as a result of the adoption of this standard.

### (o) Future accounting pronouncements:

A number of new standards and amendments to standards are not yet effective for the year ended December 31, 2013 and have not been applied in preparing these financial statements. Those expected to potentially impact the financial statements of the City are as follows:

#### (i) PS 3450 Financial Instruments:

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 1. Significant accounting policies (continued):

Financial Instruments PS 3450 and Foreign Currency Translation PS 2601 have been approved by the PSAB and are effective for years commencing on or after April 1, 2015. The standards are to be adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the entity's accounting policy choices.

### (ii) PS 3260 Contaminated Sites:

This section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites. The City will be required to recognize a liability when contamination exceeds an accepted environmental standard and the City is directly responsible, or accepts responsibility for, the damage. The liability will be measured at the City's best estimate of the costs directly attributable to remediation of the contamination. The Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of adoption of this standard is being evaluated by management and is not known or reasonably estimable at this time.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 2. Cash and cash equivalents:

	2013	2012
Cash and cash equivalents:		
Cash	\$ 3,798,671	\$ 6,101,033
MFA Money Market Funds	73,231,189	62,573,511
	<b>\$ 77,029,860</b>	<b>\$ 68,674,544</b>

## 3. Accounts receivable:

	2013	2012
Sewer	\$ 2,494,417	\$ 1,888,841
Water	9,644,264	9,017,370
Grants	3,440,140	2,208,058
Miscellaneous	9,053,148	8,315,328
Valuation allowance	(641,760)	(761,409)
	<b>\$ 23,990,209</b>	<b>\$ 20,668,188</b>

## 4. Investments:

Investments consist of bonds and government guaranteed investments and have costs that approximate market values. They have stated interest rates of 1.56% - 4.94% and various maturity dates to December 22, 2019.

## 5. Accounts payable and accrued liabilities:

	2013	2012
Trade accounts payable	\$ 15,816,656	\$ 12,888,644
Payroll accounts payable	6,283,072	4,219,856
Contract holdbacks	893,784	277,354
School authorities	837,855	875,909
Capital Regional District	398,210	365,982
Legal settlements	1,090,930	967,911
Integrated recreation	106,600	108,799
BC Transit	156,288	142,791
Regional Hospital District	105,181	102,929
BC Assessment Authority	25,029	25,804
	<b>\$ 25,713,605</b>	<b>\$ 19,975,979</b>

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 6. Deferred revenue:

Deferred revenue includes the following:

	2013	2012
Building permit fees	\$ 1,999,061	\$ 2,092,533
Development cost charges	7,615,303	6,673,707
General operating deferred revenue	1,760,515	2,488,003
Total deferred revenue	\$ 11,374,879	\$ 11,254,243

### Schedule of Building Permit Fees

	2013	2012
Opening balance of building permit fees	\$ 2,092,533	\$ 700,942
Add:		
Fees and contributions	1,651,399	2,914,675
	3,743,932	3,615,617
Less: Revenue earned	(1,744,871)	(1,523,084)
	\$ 1,999,061	\$ 2,092,533

### Schedule of Development Cost Charges

	2013	2012
Opening balance of unspent funds	\$ 6,673,707	\$ 4,245,766
Add:		
Development cost charges received during year	858,176	2,657,178
Interest earned	83,420	48,145
	7,615,303	2,705,323
Less amount spent on projects and recorded as revenue	-	(277,382)
	\$ 7,615,303	\$ 6,673,707



# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 6. Deferred revenue (continued):

Development Cost Charges include the following:

	2013	2012
Water and environment	\$ 901,548	\$ 890,418
Streets	19,752	19,508
Transportation	2,959,628	2,598,109
Water	289,082	248,914
Drainage	174,802	152,005
Sewage	1,027,484	851,617
Parkland acquisition	1,662,332	1,429,198
Parkland development	580,675	483,938
	<b>\$ 7,615,303</b>	<b>\$ 6,673,707</b>

There were no waivers and/or reductions in development cost charges during 2013 or 2012.

## 7. Long-term debt:

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

Interest rates on long-term debt range from 3.89% to 5.89%. The weighted average interest rate for 2013 was 4.96 % (2012 - 4.96%).

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

	Gross debt	Repayment and actuarial adjustments	Net debt 2013	Net debt 2012
General Capital Fund	\$ 60,914,785	\$ 12,230,602	\$ 48,684,183	\$ 51,793,520

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 7. Long-term debt (continued):

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

	General Capital Fund
2014	\$ 1,850,286
2015	1,864,832
2016	1,879,944
2017	1,895,644
2018	1,911,955

Scheduled debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$2,636,284 (2012 - \$4,742,141). Interest paid during the year was \$2,848,064 (2012 - \$3,470,638).

## 8. Obligations under capital lease:

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

2014	\$ 151,347
2015	151,347
2016	138,974
	441,668
Less amount representing interest (at a rate of 2%)	12,989
Present value of net minimum capital lease payments	\$ 428,679

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 9. Employee future benefit obligations:

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

	Fire and other	Police	Total 2013	Total 2012
Employee benefit obligations:				
Vested benefits	\$ 3,357,470	\$ 6,042,739	\$ 9,400,209	\$ 8,403,667
Non-vested benefits	3,507,163	1,232,356	4,739,519	4,862,751
Accrued employee benefit obligation	6,864,633	7,275,095	14,139,728	13,266,418
Less funded amount	(4,250,952)	(5,713,841)	(9,964,793)	(9,403,737)
Unfunded employee benefit obligation	\$ 2,613,681	\$ 1,561,254	\$ 4,174,935	\$ 3,862,681

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

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

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

	2013	2012
Accrued benefit obligation:		
Balance, beginning of year	\$ 13,266,418	\$ 12,297,354
Service cost	1,151,200	1,116,600
Interest cost	527,600	505,000
Benefits payments	(909,000)	(837,000)
Actuarial loss	46,841	103,232
Pension overcontributions	56,669	81,232
Accrued benefit liability, end of year	\$ 14,139,728	\$ 13,266,418

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 9. Employee future benefit obligations (continued):

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

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

	2013	2012
Discount rates	4.00 %	3.50 %
Expected future inflation rates	2.50 %	2.50 %
Expected wage and salary increases	2.58% to 4.63%	2.58% to 4.63%

The difference between the actuarially determined accrued benefit obligation as at December 31, 2013 of \$13,772,909 and the accrued benefit liability of \$14,139,728 is pension over-contributions of \$366,819. There is an unamortized actuarial loss of \$701,792 at December 31, 2013 that is being amortized over a period equal to the employee's average remaining service lifetime of 11 years.

### Other pension plans

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteesd pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 1,200 contributors from the City of Victoria.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Victoria paid \$9,163,984 (2012 - \$8,226,452) for employer contributions and City of Victoria employees paid \$7,204,310 (2012 - \$6,494,360) for the plan in fiscal 2013.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 9. Employee future benefit obligations (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, 2011. At December 31, 2013, the total plan provision for approved and unreported claims was \$18,615,400 with a net deficit of \$5,484,632. The City paid \$528,571 (2012 - \$343,443) for employer contributions and City employees paid \$528,571 (2012 - \$343,443) for employee contributions to the plan in 2013.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 10. Tangible capital assets:

	Land and land improvements	Buildings	Furniture, equipment, technology and motor vehicles	Roads, bridges and highways	Water infrastructure	Sewer infra- structure	Drainage infra- structure	Assets under construction	Total 2013	Total 2012
<b>Cost:</b>										
Balance, beginning of year	\$135,784,271	85,145,510	50,884,754	83,685,450	51,259,470	16,108,253	12,078,440	28,301,635	\$463,247,783	\$433,994,406
Additions	909,305	8,092,890	7,771,803	2,694,686	1,817,885	332,428	358,005	16,541,945	38,518,947	32,377,774
Disposals/ transfers	-	(2,467,856)	(567,933)	(84,406)	-	-	-	(9,996,737)	(13,116,932)	(3,124,397)
Balance, end of year	136,693,576	90,770,544	58,088,624	86,295,730	53,077,355	16,440,681	12,436,445	34,846,843	488,649,798	463,247,783
<b>Accumulated amortization:</b>										
Balance, beginning of year	80,175	33,501,202	31,332,533	42,323,692	7,327,473	4,988,007	2,510,735	-	122,063,817	113,792,448
Disposals	-	(90,914)	(565,648)	(84,406)	-	-	-	-	(740,968)	(395,407)
Amortization	35,165	2,084,591	4,454,874	2,095,467	624,842	167,957	121,369	-	9,584,265	8,666,776
Balance, end of year	115,340	35,494,879	35,221,759	44,334,753	7,952,315	5,155,964	2,632,104	-	130,907,114	122,063,817
Net book value, end of year	\$136,578,236	55,275,665	22,866,865	41,960,977	45,125,040	11,284,717	9,804,341	34,846,843	\$357,742,684	\$341,183,966

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 10. Tangible capital assets (continued):

### (a) Work in progress

Assets under construction totaling \$34,846,843 (2012 - \$28,301,635) have not been amortized. Amortization of these assets will commence when the asset is available for service.

### (b) Contributed assets

No contributed assets have been recognized during 2013 or 2012.

### (c) Tangible capital assets disclosed at nominal values

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

### (d) Works of art and historical treasures

The City manages and controls various works of art and non-operational historical cultural assets. These assets are not recorded as tangible capital assets.

### (e) Write-down of tangible capital assets

No write-down of tangible capital assets occurred during 2013 or 2012.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 11. Accumulated surplus:

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

	2013	2012
<b>Surplus:</b>		
Equity in tangible capital assets	\$308,629,822	\$288,820,527
Operating Fund	3,342,583	1,125,337
Unfunded employee benefit obligations	(4,174,935)	(3,862,681)
Total surplus	307,797,470	286,083,183
<b>Reserves:</b>		
Financial Stability Reserves	2,598,515	3,227,324
Equipment and Infrastructure Replacement Fund	52,665,034	53,037,267
Gas Tax	6,436,998	5,137,696
Economic Development	734,445	725,378
Debt Reduction	21,255,012	13,335,722
Self Insurance	3,733,373	3,687,282
Working Capital Fund	3,837,082	3,789,711
Tax Sale Lands Fund	9,663,642	10,326,723
Parks and Greenways Acquisition Fund	2,269,464	2,241,446
Local Amenities	102,044	100,784
Affordable Housing	1,896,984	2,051,341
Climate Action	380,950	253,415
Water Utility	4,900,973	1,844,385
Sewer Utility	16,403,688	13,434,671
Tree conservation	339,873	306,403
Art in public places	301,565	234,205
Downtown Core Area Public Realm Improvements	57,373	-
Heritage Building Seismic Upgrades	19,124	-
Total reserves	127,596,139	113,733,753
<b>Other assets:</b>		
MFA Debt reserve fund	814,660	776,794
	\$436,208,269	\$400,593,730



# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 12. Taxation:

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

	2013	2012
General taxation:		
Property and business taxes	\$ 194,541,230	\$ 187,960,454
Utility 1% tax	1,377,495	1,341,869
Special assessments:		
Boulevard frontage	563,885	575,736
Local improvement	-	1,071
Specified area improvement	129,053	129,053
Sewer frontage	762,423	738,135
Hotel tax:		
Tourism Victoria - Destination Marketing Commission	2,058,724	1,828,573
Victoria Conference Centre	581,200	576,016
	200,014,010	193,150,907
Less taxes levied for other authorities:		
Capital Regional District	14,404,133	12,083,313
School Authorities	50,143,568	50,579,860
Regional Hospital District	7,128,838	6,916,888
Municipal Finance Authority	4,771	4,808
BC Assessment Authority	1,589,638	1,597,657
BC Transit	8,253,915	7,398,205
Business Improvement Association	961,188	942,731
	82,486,051	79,523,462
	\$ 117,527,959	\$ 113,627,445

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 13. Government transfers:

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

	2013	2012
Traffic fine revenue sharing	\$ 1,867,217	\$ 3,439,150
Jail	59,288	73,998
Gas Tax	2,146,763	5,778,867
Infrastructure grants:		
General capital	2,183,326	1,392,358
Sewer	-	-
Water	-	-
Johnson Street Bridge	3,935,188	2,485,703
Cost sharing:		
General capital	162,799	45,000
Total revenue	\$ 10,354,581	\$ 13,215,076

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

Gas Tax is provided by the Government of Canada. The use of the funding is established by a funding agreement between the City and the Union of British Columbia Municipalities. These funds may be used towards designated infrastructure projects that achieve positive environmental results.

Infrastructure grants related to the Johnson Street Bridge Replacement Project are restricted to eligible expenses as defined by the funding agreement established between the City, Union of British Columbia Municipalities and The Government of Canada's Build Canada Fund Program.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 14. Trust funds:

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

	2013	2012
Ross Bay Cemetery	\$ 868,370	\$ 840,761
Nature Interpretation Centre	589,951	582,668
Bastion Square Revitalization	226,148	223,356
	<u>\$ 1,684,469</u>	<u>\$ 1,646,785</u>

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

## 15. Commitments:

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

In 2010 residents authorized the City, by referendum, to borrow up to \$49,200,000 for the planning, study, design, and construction of a bridge to replace the Johnson Street Bridge and to decommission the existing bridge. The City has assumed a \$10,200,000 low interest loan from the CMHC under the Municipal Infrastructure Lending Program in respect of the authorized borrowing for this project. The estimated cost for the Johnson Street Bridge is \$92.8 million and completion is expected by March 2016. At December 31, 2013, construction contracts of \$75 million were in process with estimated costs to complete of \$58 million.

On March 23, 2011, the City signed a contribution agreement with the Federal Government agreeing to financial assistance towards the project of \$21 million through the Building Canada Fund. On March 3, 2012, the Federal Government announced an additional commitment of \$16.5 million towards the project through the Federal Gas Tax Fund.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 16. Contingent liabilities:

The City is a defendant in various lawsuits. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable. Included in accumulated surplus is an insurance reserve of \$3,733,373 (2012 - \$3,687,282) which is maintained to offset settlements and insurance coverage has been maintained to provide for insurable claims should they exceed the liability deductible of \$1,000,000 in any year. In 2008, the City joined the Municipal Insurance Association and all insurable claims from that date forward are subject to a liability deductible of \$250,000 in any year.

Under borrowing arrangements with the Municipal Finance Authority, the City is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are included in the City's financial assets as other assets 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, 2013 the balance of the deposits was \$814,660 (2012 - \$776,794). At December 31, 2013 there were contingent demand notes of \$1,794,839 (2012 - \$1,794,839) which are not included in the financial statements of the City.

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

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

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

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

## 16. Contingent liabilities (continued):

In 2011, the Federal Government of Canada entered into an agreement with the Capital Regional District to provide a financial contribution for the new, permanent, safe, transitional and supportive housing. Subsequently, the Capital Regional District entered into a sub-project funding agreement in which \$1,200,000 was contributed to the City towards the purchase of two properties within the City. The agreement states that if the properties are not operated for their intended purpose or are sold and the proceeds of disposition are not applied to providing similar services then the City will be required to repay the contribution amount. The amount of the required repayment is dependent on the length of the time that the intended purpose of the contribution is met and extends to March 31, 2026 at which point no further repayment is required.

## 17. Budget data:

The budget data presented in these financial statements is based upon the 2013 operating and capital budgets approved by Council on May 2, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Revenues:	
Operating budget	\$280,422,811
Capital budget	83,149,750
	363,572,561
Less:	
Transfers from other funds	(64,726,448)
Collections for other Governments	(80,530,000)
Total revenue	218,316,113
Expenses:	
Operating budget	280,422,811
Capital budget	83,149,750
	363,572,561
Less:	
Capital expenditures	(83,149,750)
Transfer to other funds	(25,975,723)
Debt principal payments	(6,439,037)
Collections for other Governments	(80,530,000)
Total expenses	167,478,051
Annual surplus	\$ 50,838,062

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 18. Segmented information:

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

### (i) General Government:

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

### (ii) Protective Services:

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

### (iii) Transportation Services:

Transportation Services is responsible for a wide variety of transportation functions such as Parking, Engineering Operations and Streets. Services provided include infrastructure development and maintenance, traffic control, transportation planning, review of land development impacts on transportation, traffic management, pedestrian and cycling issues, on-street parking regulations, including street signs and painting as well as traffic signal timing.

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 18. Segmented information (continued):

### (iv) Environmental and Public Health Services:

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

### (v) Community Planning:

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

### (vi) Parks, Recreation and Community Development:

Parks is responsible for the maintenance, planning and development of all park facilities such as ornamental gardens, natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment; preserves and enhances green spaces on public lands. Recreation Services facilitates the provision of recreation and wellness programs and services through the City's pool, arena, Royal Athletic Park, Community and Seniors' Centres. Community Development co-ordinates and leads efforts to enhance our neighbourhoods, foster arts and culture, and works to create a city that is vibrant and people centred. This function also includes the Victoria Conference Centre which is one of the largest conference facilities in BC and plays a significant economic impact on the local economy.

### (vii) Water and Sewer Utilities:

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

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

**DRAFT**

Year ended December 31, 2013

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## 18. Segmented information (continued):

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

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

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



# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 18. Segmented information (continued):

2013	General Government	Protective Services	Transportation Services	Environmental and Public Health Services	Community Planning	Parks Recreation and Community Development	Water Utility	Sewer Utility	Total
<b>Revenue:</b>									
Taxation	\$ 41,511,208	\$ 50,814,961	\$ 5,521,969	\$ 7,976,977	\$ 2,401,142	\$ 14,541,677	\$ -	\$ 762,423	\$123,530,357
Goods and services	290,194	7,465,944	11,107,361	2,592,561	385	9,506,116	18,564,956	7,700,721	57,228,238
Government transfers	4,552,176	1,867,217	3,935,188	-	-	-	-	-	10,354,581
Other	7,900,555	356,696	5,506,450	-	2,629,005	1,817,089	221,884	-	18,431,679
Total revenue	54,254,133	60,504,818	26,070,968	10,569,538	5,030,532	25,864,882	18,786,840	8,463,144	209,544,855
<b>Expenses:</b>									
Salaries and wages	13,024,096	57,391,609	11,172,494	4,112,906	2,688,652	11,913,059	2,159,542	1,675,390	104,137,748
Materials, supplies and services	4,699,943	3,752,674	8,537,850	2,594,095	100,761	8,956,053	9,303,185	700,030	38,644,591
Interest and other	14,612,546	2,156,744	(2,252,045)	(330,676)	94,326	3,784,692	808,369	2,689,757	21,563,713
Amortization	4,550,766	893,711	2,887,012	197,251	-	262,725	624,842	167,957	9,584,264
Total expenses	36,887,351	64,194,738	20,345,311	6,573,576	2,883,739	24,916,529	12,895,938	5,233,134	173,930,316
Annual surplus (deficit)	\$ 17,366,782	\$ (3,689,920)	\$ 5,725,657	\$ 3,995,962	\$ 2,146,793	\$ 948,353	\$ 5,890,902	\$ 3,230,010	\$ 35,614,539

# THE CORPORATION OF THE CITY OF VICTORIA

Notes to Financial Statements (continued)

Year ended December 31, 2013

## 18. Segmented information (continued):

2012	General Government	Protective Services	Transportation Services	Environmental and Public Health Services	Community Planning	Parks Recreation and Community Development	Water Utility	Sewer Utility	Total
<b>Revenue:</b>									
Taxation	\$ 39,345,700	\$ 50,001,348	\$ 5,133,652	\$ 6,556,098	\$ 2,539,765	\$ 15,007,418	\$ -	\$ 738,135	\$119,322,116
Goods and services	354,392	7,301,093	10,415,051	2,880,019	183	9,509,303	16,441,463	6,594,678	53,496,182
Government transfers	7,290,223	3,439,150	2,485,703	-	-	-	-	-	13,215,076
Other	7,009,633	2,286,834	6,363,089	141,251	283,247	2,323,163	205,982	14,639	18,627,838
Total revenue	53,999,948	63,028,425	24,397,495	9,577,368	2,823,195	26,839,884	16,647,445	7,347,452	204,661,212
<b>Expenses:</b>									
Salaries and wages	13,496,188	54,239,322	10,701,402	3,733,038	2,821,364	11,973,864	2,121,429	1,537,880	100,624,487
Materials, supplies and services	4,668,782	3,627,322	8,434,118	2,212,213	140,853	8,462,034	9,234,343	588,268	37,367,933
Interest and other	16,494,637	2,780,189	(1,580,620)	(3,547)	166,604	4,687,468	661,488	1,057,665	24,263,884
Amortization	4,462,782	375,142	2,771,662	137,833	-	223,625	532,256	163,476	8,666,776
Total expenses	39,122,389	61,021,975	20,326,562	6,079,537	3,128,821	25,346,991	12,549,516	3,347,289	170,923,080
Annual surplus (deficit)	\$ 14,877,559	\$ 2,006,450	\$ 4,070,933	\$ 3,497,831	\$ (305,626)	\$ 1,492,893	\$ 4,097,929	\$ 4,000,163	\$ 33,738,132

## 19. Comparative information:

Certain 2012 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.