

COLWOOD
2013



ANNUAL REPORT

FISCAL YEAR ENDING DECEMBER 31, 2013



Table of Contents

| | |
|--------------------------------|----|
| Message from the Mayor | 4 |
| Your City Council | 5 |
| Vision, Mission and Values | 7 |
| Strategic Goals and Directions | 9 |
| Community Well-being | 10 |
| Economic Diversity | 12 |
| Environmental Care | 14 |
| | |
| City Services | 16 |
| Planning | 18 |
| Engineering | 20 |
| Public Works | 22 |
| Building | 24 |
| Fire Rescue | 26 |
| Bylaw Enforcement | 28 |
| Administration | 30 |
| Finance | 32 |
| | |
| Partners and Programs | 34 |
| | |
| Financial Year in Review | 36 |

City of Colwood
2013 Annual Report for fiscal year
ending December 31, 2013

Prepared by the City of Colwood
Communications Department

Endorsed by Colwood Council
in accordance with Section 99,
Community Charter

Colwood Fast Facts

LAND & FEATURES

- 17.66 square km
- 7.6 km of pristine ocean waterfront
- 52 parks featuring old growth forest
- 3 National Historic Sites:
Hatley Castle, Fisgard Lighthouse &
Fort Rodd Hill
- 1 National Migratory Bird Sanctuary

PEOPLE & BUSINESS

- 16,093 residents - projected to grow
108% to 33,533 by 2038
- 12% Children 0-9
- 7% Youth 10-19
- 63% Adults 20-64
- 13% Seniors 65+
- 6,095 total households
- 800+ licensed businesses

CITY HALL

- 70 employees
- \$19.7 million general operating budget
- \$3.5 million general capital budget



Colwood
2013
year in review

Photo: Fisgard Lighthouse at Fort Rodd Hill in Colwood



Taking part in Centennial Celebrations at St. John the Baptist Church, August 2013

Mayor & Council

Message from the Mayor



Carol Hamilton

On behalf of Council, I am proud to present the City of Colwood 2013 Annual Report. It is an invitation to learn more about all that is going on in our community and connect with Colwood —share your ideas and become a partner in shaping the vision for our community as it grows.

We started on many new initiatives in 2013 that will ensure our City ‘grows with soul’ over the coming years. Our Economic Development Strategy describes the kinds of business, investment and employment we want to attract to our City so that we can expand our tax base and create new local jobs and services while we continue to protect the things we love about our community.

At the same time, a Transportation Master Plan is underway to set a new standard for beautiful streets, sidewalks, trails, and transit options that will make it easy for us stay active and connected to our community.

Whether you are out for a stroll, visiting one of Colwood’s national historic sites, enjoying our Colwood waterfront, attending festivals like the Mother’s Day Paint In or Rock the Shores, or staying active at the recreation centre, library or seniors centre - Colwood is bursting with energy. Connect with us soon! Join us at a Council meeting or open house, connect with us online, or drop by City Hall anytime.

Connect with Colwood

- Join us at City meetings and community events
- Watch City meetings online at colwood.ca
- Subscribe for email updates at colwood.ca/subscribe
- Follow @CityofColwood on twitter & facebook

Your City Council

The Mayor and six councillors were elected for a three year term. As the governing body of Colwood they are responsible for ensuring that decisions consider the needs and best interests of Colwood citizens.

Council meets regularly to make decisions about City policies and direction that will be carried out by Colwood staff in the day to day business of the community. Decisions come in the form of bylaws and resolutions, which can only be made at Council meetings where there is a quorum, or fixed number of Council members present. We encourage you to attend, share your views and learn more about decisions that affect you.

Mayor and Council also serve on many committees, boards and commissions on areas ranging from parks and recreation to economic development and regional issues.



Receiving a Community Excellence Award from Coralee Oakes, Minister of Community, Sport and Cultural Development (R)



Recognizing the fundraising efforts of Wishart School students with a Colwood Pay it Forward Award



Honouring valuable community volunteers with Queen's Diamond Jubilee medals



Judith Cullington



Cynthia Day



Theresa Sullivan



Gordie Logan



Shari Lukens



Rob Martin



Welcoming Ryder Hesjedal back to his home town for the christening of "Ryder Hesjedal Way" in Royal Bay.



Vision Mission and Values

Vision, Mission and Values

2020 Vision

The City of Colwood is a vibrant community that offers a healthy lifestyle, a strong, diverse economy and a sustainable natural environment.

Mission

As stewards of the quality of life cherished by those who work, live and play in Colwood, we provide excellent service that respects the uniqueness and diversity of the community. We work to continually improve our services and build positive relationships with citizens and partners.

Values

Accountability

We serve the needs of the community, consulting residents and stakeholders regularly and providing timely reports on progress.

Collaboration

We focus on partnerships and on informing and involving residents and stakeholders to ensure excellence.

Innovation

We embrace creative ideas and have the courage to lead with innovation.

Flexibility

We are responsive to the needs of our community and continually evaluate and strive to improve our service.

Integrity

We honour the public trust by being transparent in decision making and using local knowledge and industry best practice to protect our environment and quality of life for residents.

2013 Awards & Achievements

In 2013 our City was widely recognized for environmental initiatives, development potential and community excellence.

- Real Estate Foundation of BC Land Award
October 2013
- Top 100 most promising Canadian neighbourhoods
September 2013
- UBCM 2013 Community Excellence Award
September 2013
- Climate & Energy Action Award - *September 2013*
- W3 Silver award winning website - *September 2013*
- Role Model City for Disaster Resilience
May 2013
- Canadian Solar Cities Award - *February 2013*
- International Earth Hour City Challenge
January 2013

A person is jogging on a dark, pebbly beach at Esquimalt Lagoon. The person is wearing a grey t-shirt and black shorts, and is seen from behind, running towards the water. The lagoon is a large body of blue water, and in the background, there are forested hills and a range of mountains with snow-capped peaks under a clear blue sky. A semi-transparent blue banner with a white border on the left side is overlaid across the middle of the image, containing the title text.

Strategic Goals and Priorities

Jogging on the beach at Esquimalt Lagoon.

Strategic Goals and Priorities

Goal: Community Well-Being

Colwood offers a safe, healthy lifestyle and promotes opportunities to enjoy social, recreational, educational, arts, culture and heritage activities. Our community is planned and designed to maximize public safety and quality of life. Housing and public services are available and affordable. By informing and involving residents in decisions that affect them, we promote shared responsibility and a connected community.

Priorities

- Service Capacity Review
10% complete - target 2014
- City Communications
100% complete - into Phase II increasing community engagement
- Social Plan
initializing 2014 - target 2015
- Capital Asset Replacement Plan
30% complete - target 2015

Goal: Economic Diversity

Colwood provides a strong, sustainable economy with a wide range of business and investment opportunities. Careful management, fiscal responsibility, innovation, monitoring and community involvement create the environment, infrastructure, services and workforce required for businesses to succeed. The City's Official Community Plan and Economic Development Strategy lay the foundation for long term financial stability.

Priorities

- Economic Development Plan
80% complete - on target for 2014
- Land Use Bylaw Update
10% complete - on target for 2015
- Sewage Treatment Plan
20% complete - on target for 2016
- Subdivision & Development Bylaw
10% complete - on target for 2015

Goal: Environmental Care

Colwood works to protect and enhance air, land and water quality as well as green spaces, urban forests and the many natural and diverse ecosystems in the area. Defined areas for growth will create a walkable city centre, village centre and neighbourhoods. Our Official Community Plan promotes walking, cycling and transit options and a Transportation Master Plan will guide the creation of a variety of travel modes to connect neighbourhoods and businesses.

Priorities

- Lagoon Bridge and Foreshore
20% complete - on target for 2015
- Transportation Plan
80% complete - on target for 2014
- Urban Forest Strategy
initial phase - on target for 2015

Community Well-Being



Canada Day celebrations at Fort Rodd Hill 2013

Community Well-being

Colwood offers a safe, healthy lifestyle and promotes opportunities to enjoy social, recreational, educational, arts, culture and heritage activities. Our community is planned and designed to maximize public safety and quality of life. Housing and public services are available and affordable. By informing and involving residents in decisions that affect them, we promote shared responsibility and a connected community.

2013 Highlights

Community Engagement:

- Set standards and processes for involving residents and partners in decision making through effective open houses, an improved website, newsletters, surveys and social media.
- Launched the new City website and social media sites to improve information sharing and invite dialogue with more ways for citizens to stay informed and get involved in decision making.
- Unveiled the new City logo to signal positive changes the City is undertaking and began a phased implementation.

Launch of the new City website provides more ways to stay informed and get involved.

- Encouraged community service and acts of kindness with regular presentations through the Colwood Pay it Forward program.

Community Safety:

- Continued to reinforce strong working relationship with West Shore RCMP to ensure the best services for Colwood citizens.
- Provided funding to the RCMP DARE program in School District 62 to educate students about making safe and healthy choices.
- Replaced aging Fire Engine 52 and trained staff on new features.
- Participated in a Royal Roads University project to assess and improve disaster resilience and ability to recover from emergency.
- Continued to discourage graffiti through the West Shore Graffiti Program with removal of 100% of 535 graffiti tags.
- Planned improvements for safe routes to school through the Transportation Master Plan and implemented initial projects.

Community Events:

- Brought the community together for a heritage celebration at St. John the Baptist Church with funding from Heritage Canada.
- Continued to host events like the Colwood Christmas Light-up, Halloween bonfire, Centennial Celebration, public open houses and meetings, and to participate in a wide variety of local events.
- Increased promotion of community events through the web and social media.
- Working with Westridge Landing developer on a community market space.

Arts & Culture and Social Development:

- Continued planning and partnership-building for a performing arts centre envisioned for Royal Bay.
- Initiated planning for a Community Garden at City Hall.
- Explored options for public art installations as part of the Transportation Master Plan through collaboration with Coast Collective Art Centre.
- Initial work on a Social Plan to nurture a strong social fabric in Colwood, increase affordable housing options and identify opportunities to support social services.
- Set standards for promoting community health through active transportation, improving access to parks and trails, collaboration with West Shore Parks & Recreation, participation in events like Bike to Work Week.

Encouraged community service by presenting 4 Pay it Forward awards and 9 Queen's Diamond Jubilee medals to residents.

Hosted a well attended community heritage centennial celebration at St. John the Baptist Church in August 2013.

Encouraged active transportation and safe routes to school through transportation planning and initiatives.



LEGACY
AT WESTRIDGE LANDING

DESIGN
CENTRE

Economic Diversity

PRIORITIES



Legacy showroom at Westridge Landing on Wale Road

Economic Diversity

Colwood provides a strong, sustainable economy with a wide range of business and investment opportunities. Careful management, fiscal responsibility, innovation, monitoring and community involvement create the environment, infrastructure, services and workforce required for businesses to succeed. The City's Official Community Plan and Economic Development Strategy lay the foundation for long term financial stability.

2013 Highlights

Encouraging Economic Development

- Began preparing an Economic Development Strategy for the City, working in partnership with the Westshore Chamber of Commerce, local businesses and other major partners and stakeholders.
- Continued to cultivate excellent working relationships with development teams on large projects within the City including Royal Bay, Ocean Grove, Westridge Landing and others.

Working with partners and businesses to grow our thriving economy

- Increased promotion of the City as an ideal place to invest and do business, by sharing information through the website, print projects and partnerships.
- Began to build a comprehensive community profile to provide key information about our City to potential investors, employers, business owners and homebuyers.
- Completed extensive research on Colwood sewage treatment and resource recovery proposal with a view to spurring economic development and providing affordable energy and reclaimed water to local buildings.
- Continued collaboration with School District No. 62 and other agencies on the design and build of the new Royal Bay High School.
- Continued to rebuild the City's financial reserves to increase capacity to support innovative projects that add value to our community.

Marketing our City's location, features and potential to investors.

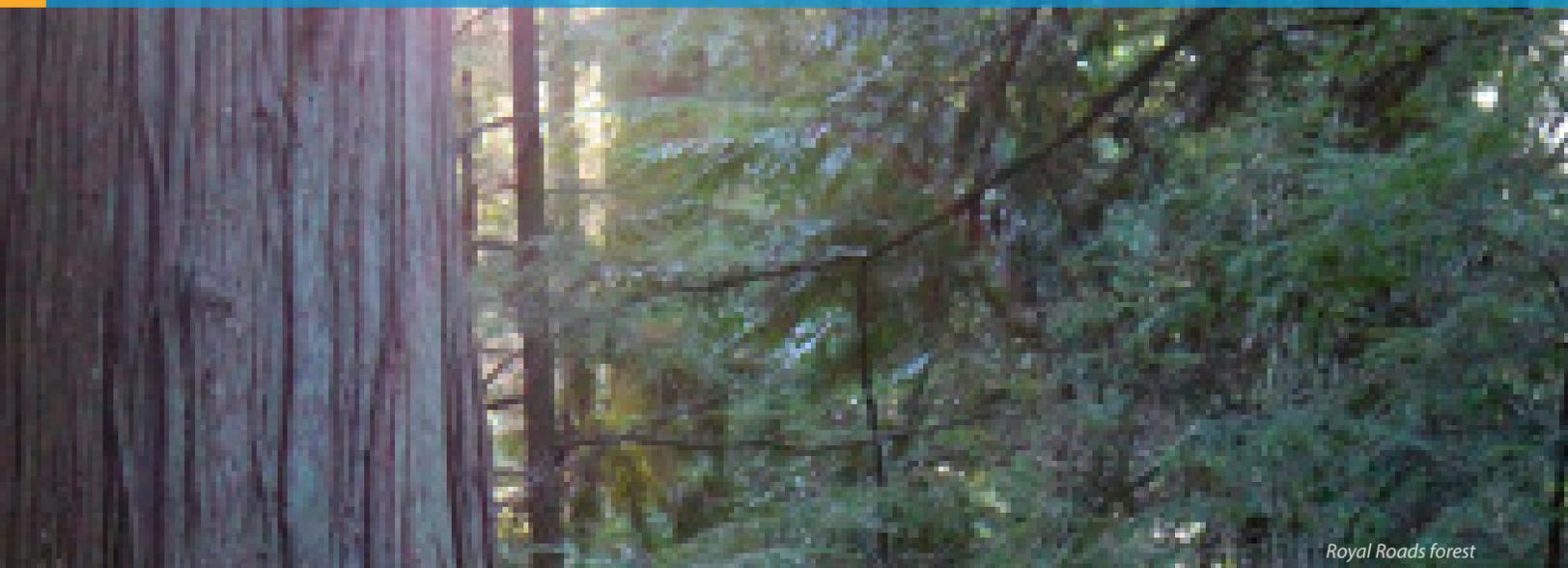
Improving standards and processes

- Streamlined the development process by updating application fees and continuing to hold collaborative review meetings with developers.
- Initiated a 5-year review of the City's award winning Official Community Plan to ensure it is up to date with current standards and practices.
- Continued to review and update the Sign Bylaw to ensure businesses have the opportunity to promote themselves effectively while protecting and improving the esthetic of our community.
- Proceeded with a full review and update of the Land Use Bylaw.
- Initiated update of the Subdivision & Development Bylaw, including new design and beautification standards.
- Continue to promote the use of digitally encrypted applications within other City departments for land development processes.
- Ongoing improvements to the building permit tracking system by providing Council with current "time to issue" reports.
- Continued to work on a service capacity review to ensure the City has the staff resources to meet growing demands.
- Began work on a long term Capital Asset Management Plan.

Rebuilding the City's financial reserves

Streamlining processes for builders and developers

Environmental Care



Royal Roads forest

Environmental Care

Colwood works to protect and restore air, land and water quality as well as green spaces, urban forests and the many natural and diverse ecosystems in the area. Clean energy solutions are used and encouraged. Defined areas for growth will create a walkable city centre, village centres and neighbourhoods. Our Official Community Plan promotes walking, cycling and transit options and the new Transportation Master Plan will guide the creation of a variety of travel modes to connect neighbourhoods and businesses.

Monitoring changes to our waterfront and protecting our waterfront assets.

2013 Highlights

Protecting our Waterfront

- Researched options to protect the Lagoon Foreshore as well as City owned assets including the road, bridge and sewage pump station.
- Study how climate change will affect Coburg Peninsula and foreshore, lagoon bridge and storm system.
- Continued to work on Coburg Peninsula Interim Management in collaboration with ELSI (Esquimalt Lagoon Stewardship Initiative).

Transportation

- Began research and community engagement on a comprehensive Transportation Master Plan to set the standard for an effective travel network that encourages active transportation, beautifies our city and fosters a renewed sense of community pride.
- Continued to work with BC Transit with a view to enhancing transit services as our community grows.
- Installed a crosswalk, sidewalk improvements and landscaping on Wishart Road to promote safe routes to school.

Land, Parks and Forests

- Continued to work on a sustainability checklist to aid in implementing performance-based evaluation of applications.
- Initiated projects to develop a Parks Master Plan including a five year capital plan for parks and trails.
- Ongoing removal and education about invasive species such as Blessed Milk Thistle and Japanese Knotweed.
- Initialized Urban Forest Strategy and tree planting policy for development and urbanization.
- Prepare Rainwater Master Plan to protect streams, eliminate flooding problems and provide irrigation to City Parks and boulevards.

Sewage Treatment

- Worked with the Environment Minister, CRD and other partners on an innovative and cost effective sewage treatment solution in Colwood that protects our environment and maximize opportunities for resource recovery and economic development.
- Completed Sewer Master Plan that describes how the entire community could be connected to sewer service, including financial requirements.

Clean Energy and Energy Conservation

- Continued Solar Colwood program leveraging the \$3.9 million Natural Resources Canada grant to increase homeowners' awareness and uptake of clean energy solutions and create over \$12 million in economic activity in Colwood.
- Developed a partnership with the Capital Regional District for the expansion of Solar Colwood incentives to all CRD municipalities through a Solar CRD program.
- Prepare Long Term Fleet Maintenance Plan and plan for future fuels.
- Develop methods to monitor energy use in the City of Colwood to determine effectiveness of energy and GHG emission reduction efforts when faced with increasing development activity.
- Install uninterrupted power supply to LED traffic lights.

Designing an effective network of roads and trails and transit to promote active transportation

Protect and enhance the beauty and accessibility of Colwood's greenspace, forests, parks and trails

Working proactively on sewage treatment solutions

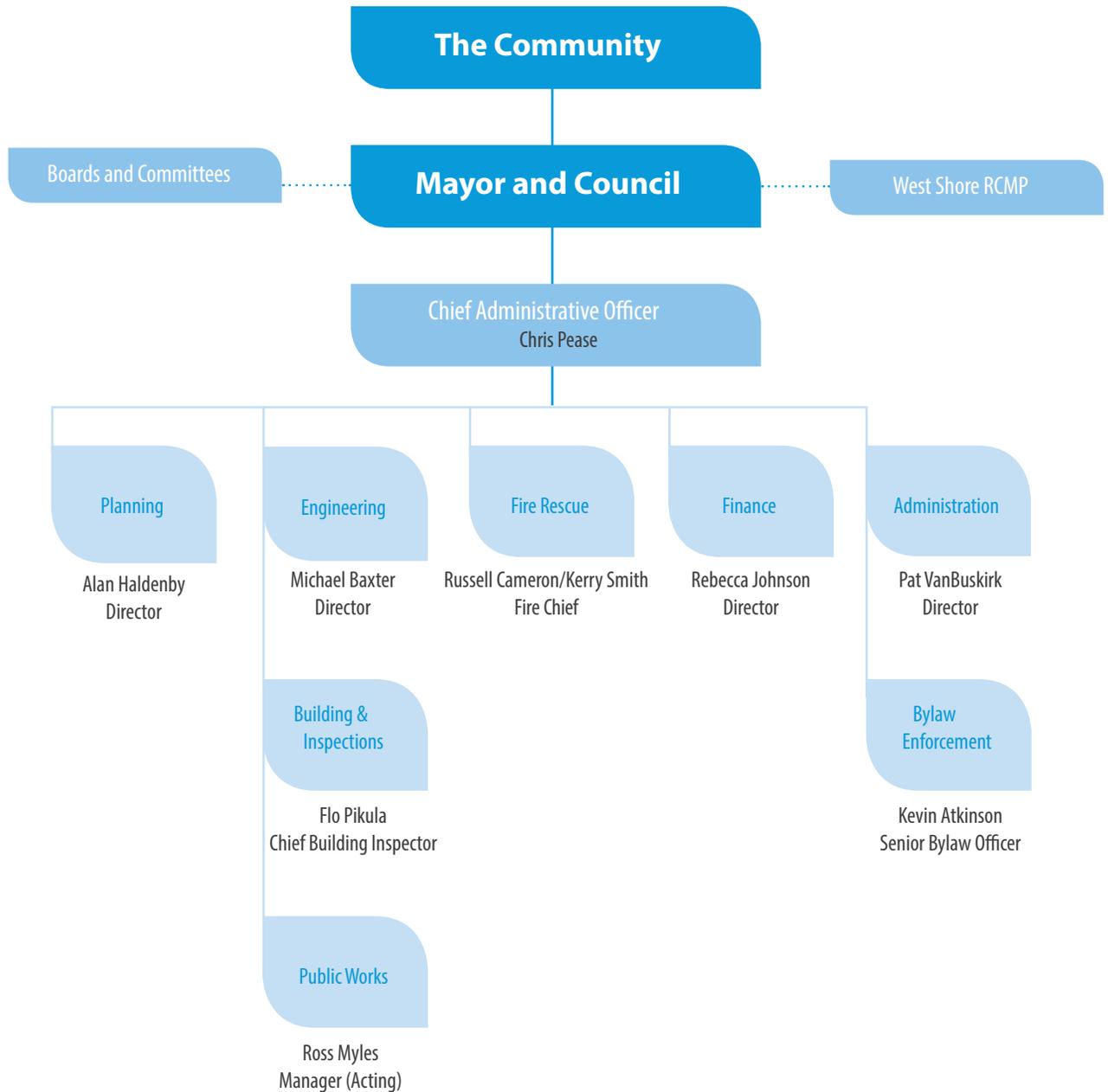
Committed to energy conservation and a clean energy future



City Services



Management Team



Planning



Aerial view of Royal Bay waterfront development site

City Services: Planning

The Planning Department is responsible for overseeing and guiding change in the community through the implementation of Colwood's Official Community Plan and Council's strategic priorities. Planning staff work closely with other City departments and outside agencies to provide timely review of applications for upcoming and ongoing development projects. The department is also charged with subdivision and business licence approvals as well as general policy development.

Planning Department staff are committed to providing high-quality service to the community and exceptional professional advice to Council.

2013 Key Accomplishments

- Initiated a 5-year review of Colwood's award winning 2008 Official Community Plan.
- Continued major revisions to the Land Use Bylaw and Sign Bylaw.

73

development-
related
planning
approvals
processed
in 2013

- Initiated the Colwood Economic Development Strategy, a key strategic priority for the City.
- Supported Council in the review and selection of consultants to undertake project planning for a West Shore Arts Centre.
- Consulted with key stakeholders regarding development application fees and ways to streamline the approvals process.
- Completed amendments to the Land Use Bylaw to allow backyard chickens in Colwood as a key component in the City's support of urban agriculture and local food production.
- Initiated an amendment to the Land Use Bylaw to allow for mobile food vending operations in the City.
- Processed 15 Development Permit applications, 14 Development Variance Permit applications, 1 Official Community Plan amendment, 6 zoning amendments, 31 secondary suite permit applications, 10 sign permit applications, 7 subdivisions, 1 Agricultural Land Reserve application and 2 strata title conversions.

449
business
applications
processed

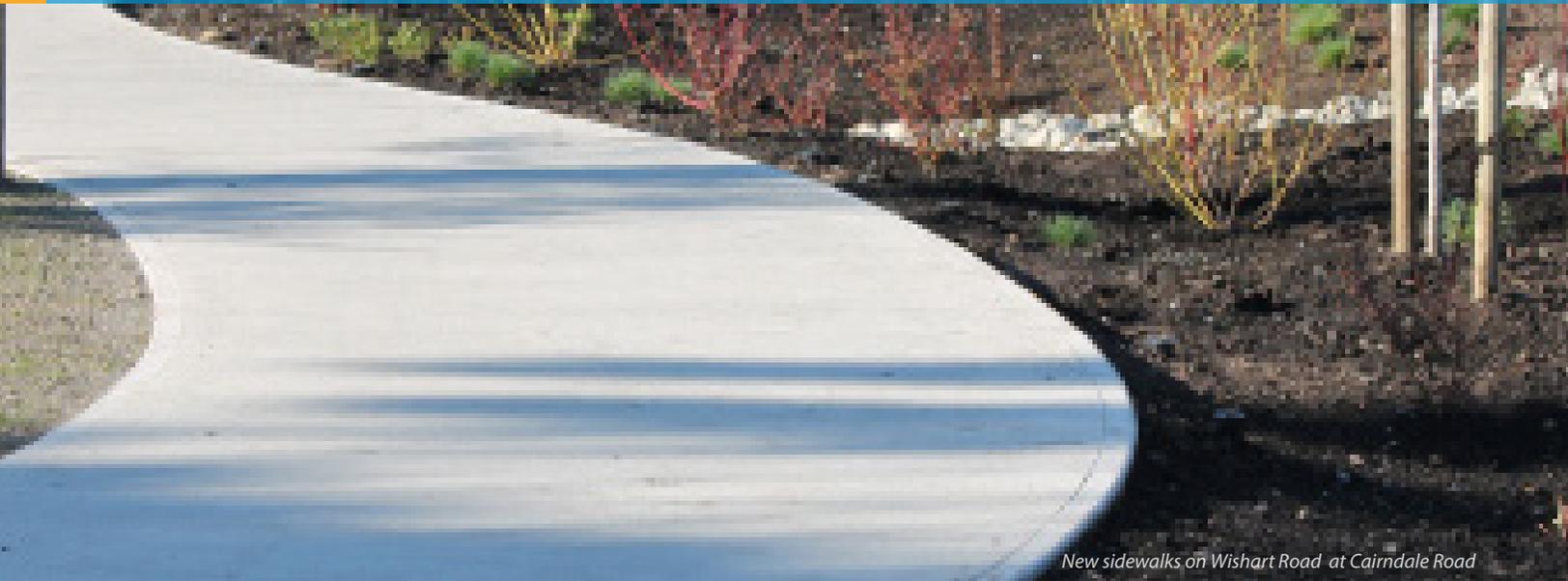
2014 Goals and Priorities

- 2014 is anticipated to be a very busy year for the Planning Department as development activity continues to increase, including the re-activation of the Royal Bay and Ocean Grove (formerly Aquattro) sites along with ramping up the work on long-range planning initiatives
- Lead development of a Colwood Economic Development Strategy and guide the process to plan completion in the summer of 2014.
- Work closely with the developer of the 500 acre Royal Bay development site on the area plan and the first phase of building just over 90 residential units along Ryder Hesjedal Way.
- Initiate planning for an Urban Forest Strategy, integrating it closely with the Rainwater Management Plan in cooperation with the Engineering Department.
- Lead the process for creating a community garden at City Hall a key component in the City's support of urban agriculture and local food production.
- Continue to take the lead on establishing outreach protocols and coordinating activities with local First Nations.

**Oversaw the creation
of a new neighbourhood
area plan for Royal Bay:**

500
acres
of oceanfront
development
property

Engineering



New sidewalks on Wishart Road at Cairndale Road

City Services: Engineering

The Engineering Department ensures the safety and effectiveness of Colwood's infrastructure, such as parks, roads, sidewalks, drains, sewers, streetlights, traffic signals and city owned buildings. Engineering staff work closely with the Planning Department and with homeowners, businesses and developers to ensure projects enhance the livability of Colwood in accordance with the City's Official Community Plan.

Working with partners to ensure sustainable and affordable sewage treatment for Colwood

2013 Key Accomplishments

- Completed extensive research on Colwood sewage treatment and resource recovery proposal, working with experts to confirm technical and financial requirements required for approval, followed by initial consultation with the public.
- Initiated a Colwood Transportation Master Plan with comprehensive research and consultation, including open houses and workshops.
- Enhanced landscaping on the Old Island Highway including a landscaped island in preparation for a "Welcome to Colwood" sign.
- Rebuilt the intersection at Wishart and Cairndale Roads with landscaping, a crosswalk and signal, allowance for future bike lanes.

- Coordinated paving for a bike lane along Metchosin Road from Sooke Road to Wishart Road by CRD at no cost to the City.
- Initiated plans for Rainwater Management and Asset Management for the City's roads and sewers.
- Coordinated sewer installation on Ryder Hejdal Way, Regency Place, Royal Bay Drive & Resolution Way as well as 28 home connections.
- Completed structural review of Esquimalt Lagoon bridge. Significant repairs required may require funding beyond 2015 budget.
- Continued monitoring Coburg Peninsula erosion with very little erosion recorded in 2013.
- Completed Havenwood Park trail improvements to replace steep trail built by developer and add signage.
- Coordinated repair and refurbishing of two bridges in Colwood Creek Park through a federal grant from the Western Diversity Fund.
- Installed 4 LED streetlights in Colwood Creek Park to pilot test for a significant change to LED lights in 2015.
- Accepted Saunders family donation of Devito trail right of way between Colwood Crescent and the Galloping Goose.
- Lead the expansion of Solar Colwood to provide solar hot water grants for the region (Solar CRD). 1 year extension of Solar Colwood.

2014 Goals and Priorities

- **Colwood Resource Recovery Centre** - first of two year's work to get through the regulatory processes required to begin construction.
- **Transportation Plan** - complete plan and implement initial projects: Wishart Road sidewalk from Cairndale to Wishart Elementary; new sidewalks and buffered bike lanes on Kelly Road; complete Metchosin Road bike lanes; traffic calming on Sunridge Valley Drive and Brittany Drive; bike parking at Western Exchange.
- **Sewer construction** - Metchosin, Allandale and Sooke Roads, followed by pump station construction to complete Central LAS.
- **Coastline Erosion Study** - plan to protect Ocean Boulevard Pump Station and estimates for studies to protect other shoreline assets.
- **Esquimalt Lagoon Bridge** - Complete five year bridge review with recommendations to Committee and Council.
- **Road and Sewer Asset Management** - review structural integrity of roads and sewers and develop asset management processes
- **Park Enhancements** - Havenwood Park crosswalk on VMP, new pedestrian bridge linking east trail to the crosswalk; Devito Trail construction; five year structural review of small bridges.
- Begin comprehensive rewrite of the Subdivision and Development Servicing Bylaw and initiate Rainwater Management Plan.
- Geotechnical study (drilling) and inundation study of Lookout Lake dam to determine the construction and risk profile.

Making it enjoyable to get around with improvements to sidewalks, bike lanes, trail connections, transit options and road networks

Creating a long term plan for protecting our shoreline and waterfront assets.

Public Works



Perimeter Park

City Services: Public Works

The City of Colwood Public Works team plays a vital role in keeping our city safe, beautiful and running efficiently by maintaining the community's roads, boulevards, street lights, sidewalks, parks, drains and City owned buildings. Public Works staff can be depended upon whenever the weather is at its worst to keep our City's infrastructure functioning.

52 city parks
maintained

2013 Key Accomplishments

- Maintained the nearly 110 kilometers of road network to ensure safety, extend the life of roads, beautify, manage surface drainage and keep roads clear of snow and ice in winter weather.
- Performed regular roadside mowing to keep the City neat and maintain sight lines for transportation safety, while considering the natural environment such as wildflowers and waterways.
- Improved Esquimalt Lagoon Bridge in accordance with MIA risk assessment and performed regular maintenance.

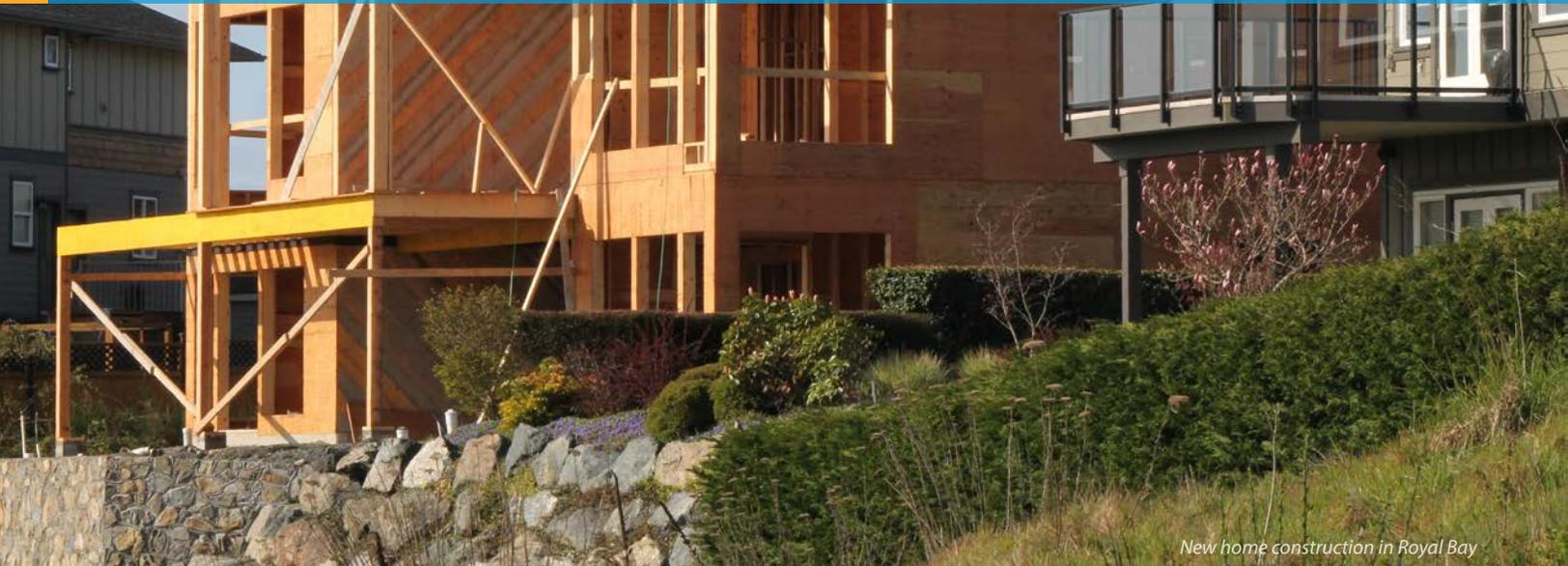
- Regular maintenance and inspection of Lookout Brook Dam.
- Maintained the City's parks and trails, inspected playgrounds, trails, walkways and sidewalks to ensure safety and schedule maintenance.
- Implemented parks and playgrounds inspection software to allow staff to file reports from mobile devices, improving record keeping and response times.
- Improvements to the Havenwood Park trail system and Colwood Creek Park bridges.
- Performed annual Colwood Creek clean-up of garbage, invasive weeds and seasonal vegetation control.
- Maintained Colwood beaches, keeping pathways clear, managing invasive species, removing litter and servicing washrooms daily.
- Manage invasive species such as Milkweed Thistle to reduce their negative impact on our community and ecosystems.
- Ran the annual Spring Residential Clean-Up program for Colwood residents to keep their homes and yards neat and free of clutter.
- Continued to provide the City's popular free Branch Drop-Off service every two weeks to keep our city looking great.
- Began process of updating the City's maintenance equipment and vehicle fleet.
- Worked with Eagle Rise and Glenview Animal Hospital to install the dog bag dispensers they donated for several parks.
- Became the first municipality to earn Supervisors Safety Certificates.
- Assisted with the installation of LED traffic lights.

**Maintenance and
repairs to
110 km
of road networks**

2014 Goals and Priorities

- Dam safety training and next phase of dam monitoring safety improvements to be installed.
- Assist with the implementation of improvements to the Havenwood Park Trail and Bridge and Devito Trail.
- Provide assistance with protection of the Esquimalt Lagoon foreshore and bridge.
- Assist with this creation of a road condition survey and master plan for road repair and repaving.
- Installation and ongoing maintenance of landscaping along the Island Highway.

Building & Inspections



New home construction in Royal Bay

City Services: Building & Inspections

The City of Colwood Building Department works to protect people and property by ensuring that newly constructed and renovated buildings conform to codes and regulations. Our goal is to help avoid costly and time consuming pitfalls by providing permits, inspection services and advice on the City of Colwood Building Bylaw, BC Building Code and Land Use Bylaw issues.

136
building permits
issued

We're working hard to make Colwood's building permit process as quick and easy as possible while maintaining the City's safety, livability and sustainability for current and future property owners and residents.

Colwood saw a steady increase in residential building activity in 2013, with a total of 74 permits creating an additional 36 residential units. Commercial and institutional building permits also increased, particularly with the \$21M Royal Bay Secondary School. Construction started late in 2013 and will continue through 2014 to open in September 2015.

2013 Key Accomplishments

Colwood maintained a respectable permit turnaround time for issuing building permits. On average, the time it took to issue City building permits in calendar days was:

- 19.5 days for a complex structures
- 6.9 days for home or simple buildings
- 1.6 days for a plumbing permit

Initiated work with developers on several major projects, including:

- Royal Bay Secondary School
- Westridge Landing on Wale Road, underground parking structure for 63 unit condo and 80 room hotel

Brought major projects to completion, including:

- 12-unit condominium at 590 Bezanton Way
- Medical treatment facility at 591 Ledsham Road

2014 Goals and Priorities

- Continuing construction at Westridge Landing on Wale Road, consisting of an 80 room hotel, 63 condominium units and significant commercial/retail space will continue through 2014 with an opening in the spring of 2015.
- School District 62 planned seismic upgrades to Dunsmuir Elementary School in 2014.
- A massive amount of site grading took place on the Royal Bay lands in 2013. The owners are actively pursuing revisions to the local area plan. They will start construction of single family residential in the fall of 2014.
- Similarly the new owners of the Ocean Grove development near Esquimalt Lagoon (formally Aquattro) are working with City staff to develop an area plan that reflects today's real estate market. The developer hopes to begin some residential construction in 2014.

\$456,543
building permit
revenue for the City

\$24.4 million
construction value
added to Colwood

Fire Rescue



Colwood Fire Hall

City Services: Fire Rescue

Colwood Fire Rescue has been protecting Colwood residents since 1946 as the West Shore's longest serving fire department. The community is well-served by 40 dedicated and experienced firefighters who care passionately about their community. All of our 8 career firefighters and 32 volunteer members are dedicated fire suppression and rescue professionals trained and certified under the British Columbia firefighter training program.

2013 Key Accomplishments

- Responded to 425 emergency calls, 43 non-emergency calls and 55 calls for assistance.
- Celebrated the career of retiring Fire Chief, Russell H. Cameron in September 2013 after 36 years with the Colwood Fire Department. Welcomed Fire Chief Kerry Smith into the role.
- Conducted a successful recruitment initiative, identifying eight new volunteer members; with four scheduled to start in January 2014 and another four in June 2014.

523

the number
of calls
attended
by Colwood
firefighters
in 2013

- Mentored new Training Officer, Greg Chow, who led participation in 5,255 hours of training in drills, Justice Institute Live Fire Training, Medical First Responder Training, Driving Training and more.
- Maintained public safety of approximately 10,000 people at the two-day 2013 Rock the Shores event at West Shore Parks & Recreation.
- Received replacement fire engine 52 and trained members on the new technology this apparatus offers.
- Conducted 658 fire and life safety inspections in residences and businesses as well as at special event venues.
- Conducted fire prevention and public education to 7,880 people at station tours, fire drills, presentations, public safety events and fire extinguisher training.
- Hosted 476 community members at the Colwood Fire Department open house which raises public awareness about fire prevention and safety as well as services provided by the department and volunteers.

678
fire inspections
completed on Colwood
homes and businesses

7,880
people benefitted from
Fire Prevention and
Public Safety Education

2014 Goals and Priorities

- Begin the replacement process for Snorkel 57, a critical firefighting apparatus that has exceeded the required replacement timeline set for fire suppression equipment.
- Continue development of operational guidelines, training standards and initiatives to meet the large scale developments underway in our City as well as anticipated growth and service delivery pressures. This is in particular relation to developments in the heart of the City and in Royal Bay.
- Continue the graduated annual process of comprehensive fire flow hydrant testing throughout our City as CRD upgrades the infrastructure for water delivery in our City.
- Continued delivery of fire and life safety messages to residents and the local business community through events like the Annual Western Communities Fire Safety Exposition for School District 62 students, the annual Colwood Fire Hall Open House, the Regional Emergency Preparedness Fair, the Colwood Historical Museum and other community events.

Firefighters
participated in
5,255
hours of training

13 fires caused
\$396,500
in insurable losses in
Colwood in 2013

Bylaw Enforcement



Bylaw Enforcement vehicle at City Hall

City Services: Bylaw Enforcement

Bylaw Enforcement Officers protect the safety and quality of life of residents by ensuring residents and business understand and comply with the City's bylaws, and by being a watchful presence in our community. They receive and investigate complaints, monitor issues and work with individuals to encourage voluntary compliance through education and mediation. When enforcement is required, Bylaw Officers issue municipal tickets and fines and may seek legal recourse.

The Officers work closely with West Shore RCMP to address traffic safety issues. Bylaw Enforcement Officers also assist Fire Rescue and Public Works services as required.

2013 Key Accomplishments

- Responded to 1081 complaints in our community, 525 of which required follow up visits.

1081
complaints received,
responded to and
followed up

- Followed up on 930 files, liaising with residents to gain voluntary compliance on 616 concerns, issuing 238 written warnings and limiting the number of municipal tickets issued to 57.
- Assisted in the restorative justice process with 6 youth involved in graffiti and fire related incidents; supervising community service.
- Officers performed 641 patrols of our community in 2013, monitoring ongoing issues, providing support services during emergencies and connecting with residents and visitors to raise awareness about City bylaws.
- Implemented the Colwood City Watch Program to encourage city employees to take an active role in reducing crime and increasing public safety within the community.
- Provided a safe presence in the community and continue to act as civic ambassadors providing assistance and customer service.
- Assisted Colwood Fire Department on 47 calls related to burning regulations, beach fires and assisting with traffic and site safety.
- Participated in several special events such as Rock the Shores Concert, Canada Day, sporting events and Halloween festivities, Goddess Run and others.
- Continued to discourage graffiti through the West Shore Graffiti Program, reducing incidents of vandalism by 22% in the past year.
- Oversaw the removal of 100% of 535 graffiti tags in 275 separate acts of vandalism in Colwood. Continued partnership with BC Hydro and RONA for this program.

2014 Goals and Objectives

- Advocate for continuation and inter-municipal expansion of Graffiti Outreach Program.
- Continue to work with residents, businesses, partners and youth on education, prevention, tracking and removal of graffiti on the West Shore.
- Participate in upcoming community events.
- Continue to play an integral role in restorative justice initiatives and alternate disposition initiatives.
- Take on a greater role in emergency preparedness planning, public safety education, partnership building and information sharing.

**Worked with residents
to achieved voluntary
compliance on**

**616
concerns**

**100%
of graffiti removed**

**22%
reduction in graffiti acts**

Administration



Colwood City Hall

City Services: Administration

The Chief Administrative Officer provides leadership and direction to city staff to ensure that decisions made by Council are carried out. Administrative staff strive to provide excellent customer service and fiscal responsibility as they perform the duties required to effectively manage city services and be responsive to the needs of the community.

The City empowers its employees to meet the changing demands of our community by fostering a fair and positive work environment, focusing on occupational health and safety and providing opportunities to gain the knowledge and training required to excel in the work they do.

Committed to excellent customer service and keeping our community informed & involved

2013 Key Accomplishments

- Completed the recruitment process to hire a new Chief Administrative Officer and full time Communications Manager.
- Unveiled the new Colwood brand on the City website and began phased implementation on all City documents, vehicles, signs, etc.
- Implemented the first phase of the new employee performance

appraisal system to encourage continuous quality improvement.

- Implemented Webcasting of Council Meetings, allowing the public to watch meetings on the City's website.
- Began a Service Capacity Review to ensure the City has the staff and resources to effectively meet the changing needs of our community.
- Increased job site safety through Occupational Health & Safety training and distribution of resources and procedures that ensure staff understand and practice safe work habits.
- Introduced City Watch, a partnership with City staff, West Shore RCMP, and CUPE Local 374 to encourage employees to take an active role in reducing crime and increasing public safety.
- Recognized as the first BC municipality to have graduates of the BC Municipal Safety Association's Supervisor Safety Certificate Program.
- Established Task Force on Regional Collaboration to give citizens participate in exploring integration of regional services.
- Established an Economic Development Steering Committee, with Terms of Reference and membership to be finalized in 2014.
- Celebrated the 100th Anniversary of St. John the Baptist Church with a very successful and well attended community event.

**Coordinated agendas,
minutes and logistics for
upwards of
139
city meetings**

2014 Goals and Priorities

- Strengthen community and stakeholder outreach to encourage sustainable development; renew the City's annual Strategic Plan.
- Create an effective community profile to attract new investment and amenities to the City and complete City communications strategy to inform and involve residents and stakeholders.
- Implement phase II of employee performance appraisal system established in 2013 to encourage continuous quality improvement.
- Complete phase I of service capacity review to ensure staff resources are in place to effectively meet the administrative needs of the City.
- Implement new health and wellness, workplace bullying and harassment, and violence in the workplace programs, and continue efforts to reduce absenteeism.
- Implement Economic Development Steering Committee, complete Terms of Reference and appoint members
- Work through the Task Force on Regional Collaboration to determine whether a question should be placed on the 2014 election ballot.
- Upgrade emergency preparedness and audio visual equipment in Council Chambers.
- Heritage Archives – complete phase 2 process for storage of City and Heritage Commission artifacts.
- Negotiate a new collective agreement with CUPE Local 374.

**7 staff members
first in BC
to earn Supervisor
Safety Certificates**

Finance



City Services: Finance

The Finance Department is responsible for long-term financial planning, annual budget development, investment management, general accounting and all statutory financial reporting. They calculate and levy property taxes, generate utility bills and process payments for licenses, permits and fines. Finance is also responsible for the City's employee payroll of approximately 70 full-time, part-time and casual employees as well as insurance, risk management and Information Technology systems.

\$19.7 million
general operating
budget

\$3.5 million
general capital
budget

2013 Key Accomplishments

- Used federal gas tax funds and other grants effectively to ensure that the cost of major planning initiatives, road improvements and park enhancements did not add to property tax burden.
- Continued to build up the City's reserve funding, increasing the amount set aside for specific purposes by more than \$400K.

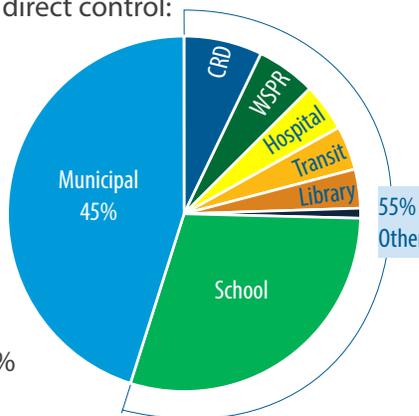
- Implemented new budgeting software model for a more efficient budget process.
- Managed \$3.5 million in capital projects and \$971,000 in other City projects.
- Performed a full review of business and benefit insurance in an effort to improve coverage and lower premiums.
- Implemented a financial reporting model to provide on-demand financial information.
- Continued to streamline accounting processes.

Continued to build the City's reserve fund

Where Colwood Property Tax Dollars Go

55% of the average Colwood residential property tax bill goes to other agencies over which the city has no direct control:

- Provincial School Taxes - 29%
- Capital Regional District - 7%
- West Shore Parks & Rec - 5%
- Hospital District - 4.5%
- BC Transit - 4.5%
- Library - 4%
- BC Assessment & Municipal Finance Authority - 1%



The municipal portion of property tax collected goes toward funding the services and amenities that help make Colwood a great place to live, work and play. The bar chart on the right shows how each municipal tax dollar breaks down:

2014 Goals and Priorities

- Continue to improve financial automation and reporting throughout the department and the City
- Manage \$5.1 million in capital projects and \$831,000 in special projects
- Provide financial funding flexibility for the City's planned Resource Recovery Centre
- Assist in the implementation of the Colwood Central Local Area Service
- Explore and investigate Information Technology requirements and options for ensuring the City is getting the best service and value.

Breakdown of Each Municipal Tax Dollar



Partnerships and Programs



West Shore RCMP

West Shore RCMP is responsible for policing Colwood, as well as Highlands, Langford, Metchosin, View Royal, Songhees First Nation, and Esquimalt First Nation. This combined population of approximately 67,000 people is well served by the detachment's 60 regular members and 17 municipal employees.

Key services provided by West Shore RCMP include policing, forensic identification, investigation, fraud unit, police dog service, traffic service and administrative support. In addition, more than 70 dedicated volunteers provide services like the Auxiliary Constable Program, Keep in Touch Program (KIT) for seniors living alone, Speed Watch, Restorative Justice, the Community Policing Advisory Committee and Greater Victoria Police Victim Services.

In 2012, the province signed a new contract with the RCMP for policing services. Colwood continued to develop a strong working relationship with West Shore RCMP, providing bylaw enforcement support as needed and collaborating on large events like the Rock the Shores music festival .

School District 62

The City of Colwood continues to work collaboratively with School District 62, focusing on the new high school in Colwood. Royal Bay Secondary School broke ground in September 2013 and construction has progressed on time and on budget. Together with the rebuild of Belmont High School in Langford, the project is the largest K-12 construction project in the province's history and will positively impact about 5,000 students and their families. The new schools will allow for the restructuring of the middle school grades, creating space at the elementary level. Royal Bay Secondary will open in September 2015 as a state of the art learning facility with a theatre, teaching kitchens, a running track, playing fields, a neighbourhood centre and much more.



Solar Colwood

The Solar Colwood program was initiated in 2011 with a \$3.9 million grant from Natural Resources Canada. The program's mandate is to demonstrate whole community change towards energy conservation and renewable clean energy. The funding has supported installations at the Fire Station, Electric Vehicle (EV) charging stations, incentives for Colwood homeowners and businesses to make energy retrofits, and opportunities to showcase energy excellence at Capital City Centre. The program reduces energy costs for homeowners and businesses, keeps local dollars in our community, supports local businesses to provide sustainable solutions, creates jobs and training opportunities, and demonstrates Colwood's commitment to a clean energy future.

2013 Key Accomplishments

- More than 100 Colwood businesses and households have taken advantage of incentives for solar hot water and ductless split heat pump systems. About 200 homeowners undertook energy assessments, and 270 received free water and energy savings kits. Together, these actions reduce community energy use by about 1700 MWh annually and significantly reduce energy costs for participating homeowners up to 40%.
- Awarded a Canadian Solar Cities Award, a Real Estate Foundation of BC Land Award, a Climate and Energy Action Award and was named one of 3 Canadian Cities in the International Earth Hour City Challenge.
- Planned for expansion of the program to all municipalities in the Capital Regional District with Solar CRD.
- Formed partnerships with more than 14 organizations including federal and provincial government, BC Hydro, Royal Roads University, Camosun College, Vancity Credit Union, and WestShore Chamber.
- Injected more than \$3 million into Colwood, including \$1 million from Natural Resources Canada, \$429,000 from other government sources, \$624,000 in homeowner contributions and an additional \$1.4 million from other partners.
- Continued to highlight Colwood as a leader in sustainability and take tangible steps to reduce our community's carbon footprint.



\$1000/yr
savings in City fuel costs
generated by installation
at Colwood Fire Station

Reducing Colwood's
energy use by about
1700 MWh
annually

Injecting more than
\$3 million
into Colwood's economy



Financial Reports

Financial Reports

The following pages contain the 2013 Statement of Financial Information (SOFI), Consolidated Financial Statements as well as the 2013 Permissive Tax Exemptions in accordance with the Community Charter Section 98 requirements.



Statement of Financial Information (SOFI)

CITY OF COLWOOD

Year ended December 31, 2013

(In compliance with the Public Bodies Financial Information Act Statutes of
British Columbia, Chapter 140)

2013 Statement of Financial Information Table of Contents

| <u>Description</u> | <u>Section</u> |
|---|----------------|
| Statement of Financial Information Approval | 1 |
| Management Report | 2 |
| Consolidated Financial Statements | 3 |
| Schedule of Debts | 4 |
| Schedule of Guarantee and Indemnity Agreements | 5 |
| Schedule of Council Remuneration and Expenses | 6 |
| Schedule of Employee Remuneration and Expenses | 7 |
| Schedule of Severance Agreements | 8 |
| Schedule of Payments to Suppliers of Goods and Services | 9 |
| Schedule of Grants | 10 |

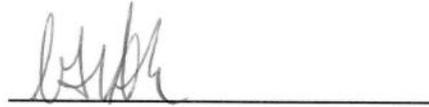
City of Colwood
Statement of Financial Information Approval

Approved by Council for the City of Colwood at the regular meeting of July 14th, 2014

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Denis Gagnon, CMA
Acting Director of Finance
July 14th, 2014



Carol Hamilton
Mayor
July 14th, 2014

Section 2 City of Colwood Management Report

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (“PSAB”) of the Canadian Institute of Chartered Accountants. The integrity and objectivity of these statements are management’s responsibility. Management is also responsible for all statements and schedules and for ensuring that this information is consistent with the information contained in the audited financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls. Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, MNP LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Financial Information Act. Their examination includes a review and evaluation of the City’s systems of internal controls and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of The City of Colwood,

Denis Gagnon, CMA
Acting Director of Finance
July 14th, 2014

Section 3
Financial Statements
Year ended December 31, 2013



Consolidated Financial Statements of

CITY OF COLWOOD

Year ended December 31, 2013

CITY OF COLWOOD

Consolidated Financial Statements

Year Ended December 31, 2013

Financial Statements

Management's Responsibility for the Consolidated Financial Statements

Independent Auditor's Report

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Change in Net Debt

Consolidated Statement of Cash Flows

Notes to the Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the City of Colwood (the "City") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in note 1 to the consolidated 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 consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by MNP 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 consolidated financial statements.



Chief Administrative Officer (Acting)



Chief Financial Officer

Independent Auditors' Report

To the Mayor and Council of the City of Colwood:

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

Management's Responsibility for Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the City of Colwood as at December 31, 2013 the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matters

The comparative figures were audited by another firm of chartered accountants who issued an audit opinion without reservations on June 24, 2013.

Nanaimo, British Columbia

June 26, 2014

MNP LLP

Chartered Accountants

CITY OF COLWOOD

Consolidated Statement of Financial Position

Statement A

December 31, 2013, with comparative figures for 2012

| | 2013 | 2012 |
|--|-----------------------|-----------------------|
| Financial Assets: | | |
| Cash and cash equivalents (note 2) | \$ 15,334,870 | \$ 14,063,924 |
| Property taxes receivable | 1,816,709 | 1,555,621 |
| Accounts receivable | 1,128,273 | 1,497,934 |
| | <u>18,279,852</u> | <u>17,117,479</u> |
| Financial Liabilities: | | |
| Accounts payable and accrued liabilities | 4,495,687 | 4,171,092 |
| Prepaid property taxes | 216,480 | 192,172 |
| Deferred Revenue (note 3) | 3,753,309 | 4,086,979 |
| Refundable deposits | 1,323,851 | 1,398,818 |
| Capital leases | 1,071,814 | 807,138 |
| Debt (note 4) | | |
| Short term | 2,422,634 | 2,422,634 |
| Long term | 10,055,293 | 10,856,540 |
| | <u>23,339,068</u> | <u>23,935,373</u> |
| Net debt | (5,059,216) | (6,817,894) |
| Non-financial assets: | | |
| Tangible capital assets (note 6) | 136,475,791 | 136,628,031 |
| Inventory of supplies | 1,081,101 | 911,400 |
| Prepaid expenses | 355,285 | 74,719 |
| | <u>137,912,177</u> | <u>137,614,150</u> |
| Accumulated surplus (note 7) | <u>\$ 132,852,961</u> | <u>\$ 130,796,256</u> |

Commitments and contingencies (note 10)


 Chief Administrative Officer (Acting)


 Chief Financial Officer

CITY OF COLWOOD

Consolidated Statement of Operations

Statement B

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

| | Budget (see note 11) | 2013 | 2012 |
|--|-------------------------|--------------------|--------------------|
| Revenue | | | |
| Taxation (note 8) | 13,116,486 | 13,633,385 | 12,800,580 |
| User Charges | 2,717,229 | 3,300,191 | 2,709,008 |
| Fines and penalties | 326,348 | 265,559 | 247,637 |
| Investment earnings | 58,650 | 169,258 | 237,411 |
| Unconditional government transfers (note 9) | 885,797 | 677,736 | 819,072 |
| Conditional government transfers (note 9) | 2,883,933 | 1,495,787 | 1,311,082 |
| Developer contributions | 165,000 | 133,556 | 16,000 |
| Other | 32,090 | 132,854 | 1,953,530 |
| | 20,185,533 | 19,808,326 | 20,094,320 |
| Expenses | | | |
| General government | 4,155,058 | 3,195,614 | 2,800,229 |
| Protective services | 5,667,608 | 5,156,178 | 5,304,355 |
| Engineering and transportation services | 4,337,966 | 4,317,240 | 4,447,912 |
| Community services: | | | |
| Environmental health services | 210,428 | 188,507 | 206,623 |
| Environmental and development services | 564,670 | 530,545 | 509,176 |
| Recreation and cultural services | 3,217,942 | 3,302,623 | 3,626,740 |
| Utility and enterprise services | 960,000 | 1,048,495 | 1,005,346 |
| | 19,113,672 | 17,739,202 | 17,900,381 |
| Annual surplus | 1,071,861 | 2,069,124 | 2,193,939 |
| Accumulated surplus, beginning of year | 130,796,256 | 130,796,256 | 128,602,317 |
| Loss on change in proportionate share in Westshore | | (12,419) | |
| Accumulated surplus, end of year | 131,868,117 | 132,852,961 | 130,796,256 |

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

CITY OF COLWOOD

Consolidated Statement of Change in Net Debt

Statement C

December 31, 2013, with comparative figures for 2012

| | Budget (Note 11) | 2013 | 2012 |
|--|---------------------|----------------|----------------|
| Annual surplus | \$ 1,071,861 | \$ 2,069,124 | \$ 2,193,939 |
| Acquisition of tangible capital assets | (3,549,025) | (1,355,055) | (1,288,560) |
| Acquisition of leased tangible capital assets | | (413,448) | (232,661) |
| Amortization of tangible capital assets | | 2,036,843 | 2,486,818 |
| Gain on disposal of tangible capital assets | | (30,002) | - |
| Change in proportionate share of West Shore | | (98,518) | (613,294) |
| | (2,477,164) | 2,208,944 | 2,546,242 |
| Work in Progress | | (177,564) | - |
| Consumption (acquisition) of inventory of supplies | | 7,863 | 21,558 |
| Use (acquisition) of prepaid expenses | | (280,565) | 61,757 |
| | - | (450,266) | 83,315 |
| Change in net financial assets (debt) | (2,477,164) | 1,758,678 | 2,629,557 |
| Net debt, beginning of year | (6,817,894) | (6,817,894) | (9,447,451) |
| Net debt, end of year | \$ (9,295,058) | \$ (5,059,216) | \$ (6,817,894) |

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

CITY OF COLWOOD

Consolidated Statement of Cash Flows

Statement D

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

| | 2013 | 2012 |
|---|----------------------|----------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 2,069,124 | \$ 2,193,939 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 2,036,843 | 2,486,818 |
| Gain on disposal of tangible capital assets | (30,002) | - |
| Change in proportionate share of West Shore | (98,518) | (613,294) |
| Actuarial adjustment on debt | (78,193) | (70,902) |
| Change in non-cash operating assets and liabilities | | |
| Property taxes receivables | (261,088) | (461,705) |
| Accounts receivable | 369,661 | 317,648 |
| Accounts payable and accrued liabilities | 324,595 | 238,090 |
| Prepaid property taxes | 24,308 | 20,599 |
| Deferred revenue | (333,670) | 270,030 |
| Refundable deposits | (74,967) | 739,858 |
| Work in Progress | (177,564) | - |
| Inventory of supplies | 7,863 | 21,558 |
| Prepaid expenses | (280,566) | 61,757 |
| | <u>3,497,826</u> | <u>5,204,396</u> |
| Capital activities: | | |
| Acquisition of tangible capital assets | (1,355,056) | (1,288,560) |
| | <u>(1,355,056)</u> | <u>(1,288,560)</u> |
| Financing activities: | | |
| Capital lease payments | (148,772) | (149,985) |
| Debt Proceeds | | 5,373,023 |
| Debt Payments | (723,052) | (6,493,261) |
| | <u>(871,824)</u> | <u>(1,270,223)</u> |
| Increase in cash and cash equivalents | 1,270,946 | 2,645,613 |
| Cash and cash equivalents, beginning of year | 14,063,924 | 11,418,311 |
| Cash and cash equivalents, end of year | <u>\$ 15,334,870</u> | <u>\$ 14,063,924</u> |
| Supplemental cash flow information | | |
| Cash paid for interest | \$ 537,100 | \$ 523,989 |
| Cash received from interest | 109,003 | 108,700 |

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

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

City of Colwood (the "City") is a municipality in the Province of British Columbia 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 consolidated 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 ("PSAB") of the Canadian Institute of Chartered Accountants. Significant accounting policies are as follows:

(a) Reporting entity:

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The financial statements also include the proportionate consolidation of the City's share of the West Shore Parks and Recreation Society (see Note 12 for details).

(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) Revenue recognition:

(i) Taxation

Taxation revenues are recognized in the year levied. Levies imposed by other taxing authorities (Note 8) are not included in these financial statements.

(ii) User charges

User charges, fines and penalties are recognized in the year that the service is rendered, or the amount is earned, provided the amount can be estimated and collection is reasonably assured.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(iii) Other revenue

Other revenue and investment earnings are recorded in the year they are earned, provided the amount can be estimated and collection is reasonably assured.

(iv) Developer contributions

Developer contributions are recorded when the event giving rise to the contribution occurs.

(d) Government transfers:

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(e) Deferred revenue:

Deferred revenue includes non-government grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

(f) Investment income:

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

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(g) Cash equivalents:

Cash equivalents include short-term highly liquid investments that are cashable on demand or have a term to maturity of 90 or less at acquisition.

(h) Investments:

Investments are recorded at cost. Investments in the Municipal Finance Authority of British Columbia ("MFA") Bond, Intermediate and Money Market Funds are recorded at cost plus earnings reinvested in the funds. Market value for investments is same as book value.

(i) Long-term debt:

Long-term debt is recorded net of principal repayments and actuarial adjustments.

(j) Employee future benefits:

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

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

(k) Non-financial assets:

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

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(i) Tangible capital assets

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

| Asset | Useful life - years |
|-------------------------------------|---------------------|
| Building and building improvements | 25 - 70 |
| Vehicles, machinery and equipment | 5 - 25 |
| Water and wastewater infrastructure | 75 - 100 |
| Parks and land improvements | 15 - 40 |
| Roads infrastructure | 10 - 75 |

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

(ii) Contributions of tangible capital assets

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

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets

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

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

1. Significant Accounting Policies (continued):

(k) Non-financial assets (continued):

(v) Interest capitalization

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

(vii) 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.

(viii) Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost, using the first in, first out method.

(l) Use of estimates:

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

(m) Refundable deposits:

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations or the deposits are recognized as revenue when qualifying expenditures are incurred.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

2. Cash and Cash Equivalents

| | 2013 | 2012 |
|-------------------------|------------|------------|
| Bank Deposits | 11,227,967 | 10,019,976 |
| MFA - Money Market Fund | 4,106,903 | 4,043,949 |
| | 15,334,870 | 14,063,925 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

3. Deferred revenue

| | 2013 | 2012 |
|---------------------------------|-----------|-----------|
| Building permit fees | 56,000 | 67,899 |
| Federal Gas Tax funds | 1,309,391 | 1,737,209 |
| Development cost charges | 1,089,794 | 787,111 |
| Cash in lieu of parklands | 364,392 | 359,852 |
| Provincial government grants | 20,000 | 126,504 |
| Sidewalk fund | 274,602 | 274,602 |
| Frontage | 410,824 | 505,824 |
| Other | 55,394 | 123,439 |
| West Shore Parks and Recreation | 172,912 | 104,539 |
| | 3,753,309 | 4,086,979 |

Gas Tax

| | 2013 | 2012 |
|--|-----------|-----------|
| Opening balance of unspent funds | 1,737,209 | 1,597,250 |
| Add: | | |
| Amounts received during the year | 444,522 | 444,706 |
| Interest income restricted for projects | 19,248 | 19,363 |
| | 2,200,979 | 2,061,319 |
| Less: amount spent on projects and recorded as revenue | (891,588) | (324,110) |
| | 1,309,391 | 1,737,209 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

4. Debt

(a) Short term debt:

Short-term debt of \$ 2,422,634 (2012 - \$2,422,634) is with the MFA and bears interest at 1.7%.

(b) Long term debt:

The City issues long-term debt instruments through the MFA. The amount payable of \$10,016,224 (2012- \$10,793,077) is net of repayments and actuarial adjustments of \$2,633,799 (2012- \$1,856,946).

Included in long term debt is the City's proportionate share of the West Shore Parks and Recreation five year fixed rate term loan for \$39,069 (2012 - \$63,463).

(c) Principal payments on long-term debt for the next five years are as follows:

| | Total |
|------|--------------|
| 2014 | 723,052 |
| 2015 | 723,052 |
| 2016 | 723,052 |
| 2017 | 667,442 |
| 2018 | 667,442 |

(d) Maturities and interest rates:

Existing long-term debt matures from 2016 to 2024 and interest rates range from 3.15% to 4.9%

(e) Interest expense:

Total interest expense during the year was 537,100 (2012 - \$375,335)

(f) Capital leases:

The City leases fire and rescue equipment and operations equipment. The economic substance of the leases is that the City is financing the acquisition of tangible capital assets (see Note 6). All City leases are financed through the Municipal Finance Authority.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

5. Employee Future Benefits

The City provides sick leave and other benefits to its employees.
The amounts are included in accounts payable and accrued liabilities and are as follows:

| | 2013 | 2012 restated |
|-----------------------------|----------------|-------------------|
| Accrued sick leave | \$ 242,768 | \$ 230,916 |
| Retirement benefit payments | 262,128 | 326,244 |
| | <u>504,896</u> | <u>\$ 557,160</u> |

| | 2013 | 2012 restated |
|-----------------------------|-------------------|-------------------|
| Accrued benefit obligation: | | |
| Balance, beginning of year | 557,160 | 373,242 |
| Current service cost | (61,264) | 151,680 |
| Interest cost | 9,000 | 8,730 |
| Benefits paid | | |
| Actuarial | | 23,508 |
| Balance, end of year | <u>\$ 504,896</u> | <u>\$ 557,160</u> |

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

| | 2013 | 2012 |
|------------------------------------|----------|----------|
| Discount rates | 3.50% | 3.5%-5% |
| Expected future inflation rates | 2.50% | 2.50% |
| Expected wage and salary increases | 2%-2.75% | 2%-2.75% |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

5. Employee Future Benefits (continued)

Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributions from local government with about 75 contributors from the City of Colwood.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2012 indicated an unfunded liability of \$1.37 billion 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 Colwood paid \$480,580 (2012 - \$432,105) for employer contributions. City employees contributed \$389,845 to the Plan (2012 - \$389,284).

GVLRA - CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relationship 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. As 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 43,328 (2012 - \$30,337) for employer contributions and City employees paid \$43,328 (2012 - \$30,337) to the plan in 2013.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

| 6. Tangible capital assets | 2013 | | | | | | | Total 2013 | Total 2012 |
|------------------------------------|-------------------|------------------------------------|-----------------------------------|-------------------------------------|--------------------|----------------------------|---------------------|---------------------|---------------------|
| | Land | Building and Building Improvements | Vehicles, Machinery and Equipment | Water and Wastewater Infrastructure | Westshore | Park and Land Improvements | Road Infrastructure | | |
| Cost | | | | | | | | | |
| Balance, beginning of year | 58,518,410 | 5,654,562 | 9,458,412 | 30,159,069 | 15,174,548 | 1,701,413 | 61,547,180 | 182,213,594 | 179,950,490 |
| Additions | - | | 1,147,776 | | | 26,193 | 594,534 | 1,768,503 | 1,521,221 |
| Disposals | | | (318,668) | | | | | (318,668) | (21,497) |
| Change in Westshore Share | | | | 86,098 | | | | 86,098 | 763,379 |
| Balance, end of year | 58,518,410 | 5,654,562 | 10,287,520 | 30,159,069 | 15,260,646 | 1,727,606 | 62,141,714 | 183,749,527 | 182,213,593 |
| Accumulated Amortization | | | | | | | | | |
| Balance, beginning of year | - | (2,323,389) | (5,522,977) | (4,300,959) | (3,287,166) | (718,531) | (29,432,541) | (45,585,563) | (42,970,156) |
| Disposals | | 0 | 318,668 | 0 | 30,002 | 0 | 0 | 348,670 | 21,497 |
| Amortization expense | | (142,580) | (354,958) | (317,514) | (50,565) | (67,683) | (1,103,543) | (2,036,843) | (2,486,818) |
| Change in Westshore Share | | | | | | | | | (150,085) |
| Balance, end of year | - | (2,465,969) | (5,559,267) | (4,618,473) | (3,307,729) | (786,214) | (30,536,084) | (47,273,736) | (45,585,562) |
| Net book value, end of year | 58,518,410 | 3,188,593 | 4,728,253 | 25,540,596 | 11,952,917 | 941,392 | 31,605,630 | 136,475,791 | 136,628,031 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

6. Tangible capital assets

(a) Assets under construction:

As at December 31, 2013 there was \$177,564 of assets under construction (2012 - \$0). No amortization has been recorded on these assets as they are not yet in productive use

(b) Contributed tangible capital assets:

There were no contributed assets recognized during the year.

(c) Works of art and historical treasures:

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(d) Write-down of tangible capital assets:

No write-down of tangible capital assets occurred during the year.

(e) West Shore:

The City's proportionate share of West Shore assets includes land, building and equipment which are subject to amortization policies consistent with those of the City.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

7. Accumulated Surplus

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

| | 2013 | 2012 |
|--|--------------------|--------------------|
| Surplus: | | |
| Invested in tangible capital assets | 122,965,119 | 122,541,719 |
| Other | 3,385,519 | 2,084,946 |
| Total surplus | 126,350,638 | 124,626,665 |
| Reserves set aside by Council: | | |
| Westshore | 207,017 | 367,950 |
| Future sewer contingencies | (169,161) | (183,800) |
| Total reserves | 37,856 | 184,150 |
| Reserve funds set aside for specific purposes by Council: | | |
| Police building improvements | 143,945 | 142,142 |
| Affordable housing | 309,766 | 208,684 |
| Amenities | 529,668 | 756,065 |
| Capital projects | 922,372 | 865,361 |
| Equipment replacement | 1,007 | 374,344 |
| RCMP surplus | 237,346 | 840,171 |
| Sewer capital | 660,206 | 486,298 |
| Future operational expense | 2,152,898 | 2,312,372 |
| St-John's Church | 35,351 | - |
| Fleet replacement - Operations | 663,237 | - |
| Fleet replacement - Fire Hall | 399,367 | - |
| New Firehall | 100,634 | - |
| Infrastructure Deficit | 100,951 | - |
| Fleet replacement -utilities | 198,662 | - |
| Public Art | 9,057 | - |
| Total reserve funds | 6,464,467 | 5,985,437 |
| | 132,852,961 | 130,796,252 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

8. Taxes

| | 2013 | 2012 |
|---|-------------------|-------------------|
| General | 20,283,314 | 19,790,560 |
| Payments in place of taxes | 1,871,374 | 1,603,525 |
| Special assessments - sewer | 746,012 | 864,421 |
| 1% utility taxes | 185,087 | 177,015 |
| | <u>23,085,787</u> | <u>22,435,521</u> |
| Less taxes on behalf of: | | |
| Capital Regional District - General Operating | 1,034,315 | 1,167,502 |
| Capital Regional District - Sewer Operating | 146,686 | 59,738 |
| Capital Regional Hospital District | 907,290 | 914,985 |
| School authorities | 6,307,137 | 6,477,002 |
| British Columbia Assessment Authority | 193,304 | 199,887 |
| Municipal Finance Authority | 606 | 633 |
| Victoria Regional Transit Authority | 863,064 | 815,194 |
| | <u>9,452,402</u> | <u>9,634,941</u> |
| | <u>13,633,385</u> | <u>12,800,580</u> |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

9. Government Transfers:

The Government transfers reported on the consolidated statement of operations are:

| | 2013 | 2012 |
|---|--------------------|--------------------|
| Conditional transfers: | | |
| Federal - West Shore Parks and Recreation Society | \$9,859 | \$51,726 |
| Federal - Other | 11,400 | |
| Provincial: | | |
| Natural Resources Canada | 298,164 | 507,841 |
| Other | 21,049 | 255,827 |
| Federal gas tax | 891,588 | 324,110 |
| Local Motion Grant | 106,504 | 0 |
| Other: | | |
| Bear Mountain Arena | 171,578 | 171,578 |
| | <u>1,510,142</u> | <u>1,311,082</u> |
| Unconditional: | | |
| Provincial: | | |
| Small Communities | 106,559 | 318,827 |
| Traffic Fines | 125,624 | 170,362 |
| Casino revenue sharing | 326,704 | 329,798 |
| Other | 104,493 | 85 |
| | <u>663,380</u> | <u>819,072</u> |
| Total Revenue | \$2,173,522 | \$2,130,154 |

10. Commitments and Contingencies:

(a) Contingent liabilities:

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

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

10. Commitments and Contingencies (continued):

(a) Contingent liabilities (continued):

The City is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated who 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 obligations to share in funding ongoing operations any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

The City may be subject to potential repayment or non-collection of property taxes received or receivable pending resolution of property assessments appealed by taxpayers. The outcome of the appeals is not reasonably estimable and repayments or non-collections, if any, will be recorded in the period that they occur.

(b) Municipal Finance Authority contingent demand notes:

Under borrowing arrangements with the MFA, the City is required to lodge security by means of demand note and interest bearing cash deposits based on the amount of the borrowing. As a condition of these borrowing a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are included in the City's financial assets as restricted receivables 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 there were contingent demand notes of \$490,890 (2012 - \$490,890) which are not included in the financial statements of the City.

(c) Litigation liability:

The City has been named 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. Remaining claims should they be successful as a result of litigation, will be recorded when a liability is likely and determinable.

(d) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 1992. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2014 estimated cost of this contract is \$2,549,556 (2013 estimate - \$2,508,002). RCMP members and the federal government are currently in legal proceedings regarding pay raises for 2009 and 2010 that were retracted for RCMP members. These proceedings are still in progress. As the final outcome of the legal action, and the potential financial impact to the City is not determinable, the City has not recorded any provision for this matter in the financial statements as at December 31, 2013.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

11: Budget Data:

The budget data presented in these consolidated financial statements is based upon the 2013 operating and capital budgets approved by Council on April 8, 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 consolidated financial statements.

| | Operating | Sewer | Total |
|---|-------------------|------------------|-------------------|
| Revenue | | | |
| Total per Five Year Financial Plan (2013) | 20,044,543 | 4,241,774 | 24,286,317 |
| Westshore | 1,216,433 | | 1,216,433 |
| Less: Transfers from own funds | (2,808,900) | (260,607) | (3,069,507) |
| Debt issue for Phase 6/7 expansion (2013) | | (2,145,000) | (2,145,000) |
| Deferred revenue | 103,338 | | 103,338 |
| CRD Sewer Debt | (211,518) | | (211,518) |
| Other | 5,470 | | 5,470 |
| Total Revenue | 18,349,366 | 1,836,167 | 20,185,533 |
| Expenses | | | |
| Total per Five Year Financial Plan (2013) | 17,746,841 | 1,986,774 | 19,733,615 |
| Westshore | 1,133,548 | | 1,133,548 |
| General Capital | 1,294,025 | 2,255,000 | 3,549,025 |
| Supplemental Summary | 971,176 | | 971,176 |
| Variance | 32,501 | | 32,501 |
| Total | 21,178,091 | 4,241,774 | 25,419,865 |
| Less: Debt principal payments | (390,956) | (495,534) | (886,490) |
| Transfers to own funds | (1,489,294) | (226,174) | (1,715,468) |
| Capital Expenses | (1,346,525) | (2,255,000) | (3,601,525) |
| Deferred revenue | 103,338 | | 103,338 |
| CRD Sewer Debt | (211,518) | | (211,518) |
| Other | 5,470 | | 5,470 |
| Total Expenditures | 17,848,606 | 1,265,066 | 19,113,672 |
| Annual Surplus | 500,760 | 571,101 | 1,071,861 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

12. West Shore Parks and Recreation Society:

(a) Capital asset transfer:

The CRD transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal members (the "Municipalities") effective January 2, 2002. City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca Electoral Area). Effective January 1, 2007 the Town of View Royal became a member of the Society.

In 2002 the lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. The lands and facilities were reallocated amongst the members on January 1, 2007 when the Town of View Royal became a member. Future improvements are allocated among the members as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement. For 2013, the City's share of improvements purchased by the Society on its behalf is \$2,494.

Because the cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year, there is a gain or loss on the opening fund balances. In 2013, the City recorded a gain of \$98,518 (2012 - gain of \$613,294).

The repayment of long-term debt associated with the transferred assets will continue to be a regional function, in accordance with the terms of an Agreement to Transfer between the CRD, the Municipalities and the Society. The debt payments are charged to the Municipalities as part of the CRD's annual requisition. The maturity dates of the various borrowings range from 2013 through 2014. The proportionate share of the debt funded by the City through the requisition process as at December 31, 2013 was \$39,069 (2012 - \$320,000).

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage and operate the facilities located at the recreation centre.

(b) Consolidation:

Financial results and budget for the Society are consolidated into the City's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2013, the City's proportion for consolidation purposes was 23.19% (2012 - 24.1%).

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Segmented Information:

The City is a diversified municipal organization that provides a wide range of services to its citizens. Certain segments that have different governance and responsibility have been separately disclosed in the segmented information, along with the services they provide, which are as follows:

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.

Protective Services

Protective Services is comprised of four different functions, including Police Protection, Fire Protection, Emergency Preparedness and Regulatory services. The Royal Canadian Mounted Police (RCMP) provides policing services to the City. The RCMP ensures the safety of the lives and property of Colwood citizens through the enforcement of criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. 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 Emergency Preparedness program ensures that the City is both prepared and able to respond to, and recover from, the effects of a disaster or major catastrophic event. The mandate of the Regulatory Service is to promote, facilitate and enforce general compliance with the provisions of the bylaws that pertain to the health, safety and welfare of the community.

Engineering and Transportation Services

Engineering and Transportation Services is responsible for a wide variety of transportation functions such as parking, engineering operations and streets. As well, providing services around infrastructure, traffic control, transportation planning, review of land development impacts on transportation, traffic management, pedestrian and cycling issues, on-street parking regulations, including street signs and painting as well as traffic signal timing.

Community and Development Services

Recreation services facilitates the provision of recreation and wellness programs and services throughout the City. Parks is responsible for the maintenance, planning and development of all park facilities such as natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a safe environment. Parks is also responsible for preserving and enhancing green spaces on public lands. Community Development co-ordinates and leads efforts to enhance the City's neighbourhoods, foster arts and culture and work to create a vibrant and dynamic City. Development services provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

12. West Shore Parks and Recreation Society (continued):

(b) Consolidation (continued):

Condensed financial information for the Society as follows:

| | 2013 | 2012 |
|-------------------------------------|-------------------|-------------------|
| Financial assets | \$ 2,993,912 | \$ 2,219,968 |
| Financial liabilities | 2,112,249 | 1,658,182 |
| Net financial assets | 881,663 | 561,786 |
| Non-financial assets | 879,243 | 752,357 |
| Accumulated surplus | 1,760,906 | 1,314,143 |
| Invested in tangible capital assets | 875,645 | 738,913 |
| Reserve funds | 1,776,928 | 1,524,044 |
| Other | (891,667) | (948,814) |
| | 1,760,906 | 1,314,143 |
| Revenues | 5,632,370 | 5,424,178 |
| Requisition from members | 4,907,201 | 4,698,024 |
| | 10,539,571 | 10,122,202 |
| Expenses | 5,185,607 | 5,122,847 |
| Requisition from members | 4,907,201 | 4,698,024 |
| | 10,092,808 | 9,820,871 |
| Annual surplus (deficit) | 446,763 | 301,331 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements

Year ended December 31, 2013

13. Segmented information (continued):

Utility and Enterprise Services

The sewer utility protects the environment and human health from the impact of liquid waste generated as a result of human occupation and development in the City.

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 2013-2017 consolidated financial plan.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. The following schedule provides additional financial information for the foregoing segments.

CITY OF COLWOOD

Notes to Consolidated Financial Statements (continued)
 Year ended December 31, 2013

13. Segmented Disclosure

| | A | B | C | D | E | |
|--------------------------------------|--------------------|---------------------|---|------------------------------------|---------------------------------|-------------------|
| | General Government | Protective Services | Engineering and Transportation Services | Community and Development Services | Utility and Enterprise Services | TOTAL |
| Revenue: | | | | | | |
| 10 Taxation | 2,710,940 | 4,343,220 | 3,636,555 | 2,343,344 | 599,326 | 13,633,385 |
| 11 User charges | 162,263 | 464,768 | 243,642 | 1,413,032 | 1,016,486 | 3,300,191 |
| 12 Government transfers | - | 125,624 | 1,861,765 | 186,134 | - | 2,173,523 |
| 13 Gain/Loss disposal capital assets | 132,854 | - | - | - | - | 132,854 |
| 14 Other | 241,760 | 193,057 | 33,556 | 99,000 | 1,000 | 568,373 |
| Total revenue | 3,247,817 | 5,126,669 | 5,775,518 | 4,041,510 | 1,616,812 | 19,808,326 |
| Expenses: | | | | | | |
| 20 Salaries and wages | 1,773,172 | 2,015,265 | 2,068,006 | 1,421,790 | 107,411 | 7,385,644 |
| 21 Materials, supplies and services | 968,874 | 2,796,961 | 800,972 | 2,143,844 | 481,674 | 7,192,325 |
| 22 Interest and other | 364,594 | 132,722 | 25,720 | 313,885 | 236,903 | 1,073,824 |
| 23 Amortization | 111,730 | 211,230 | 1,422,542 | 119,400 | 222,507 | 2,087,409 |
| Total expenses | 3,218,370 | 5,156,178 | 4,317,240 | 3,998,919 | 1,048,495 | 17,739,202 |
| Annual surplus (deficit) | 29,447 | (29,509) | 1,458,278 | 42,591 | 568,317 | 2,069,124 |

CITY OF COLWOOD

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2012

13. Segmented Disclosure

| | A | B | C | D | E | |
|--------------------------------------|-----------------------|------------------------|---|--|---------------------------------------|------------|
| | General Government | Protective Services | Engineering and Transportation Services | Community and Development Services | Utility and Enterprise Services | TOTAL |
| Revenue: | | | | | | |
| 10 Taxation | 2,181,476 | 4,131,643 | 3,464,861 | 2,239,461 | 783,139 | 12,800,580 |
| 11 User charges | 94,237 | 244,766 | 112,162 | 1,330,425 | 927,418 | 2,709,008 |
| 12 Government transfers | - | 170,362 | 1,736,205 | 223,587 | - | 2,130,154 |
| 13 Gain/Loss disposal capital assets | - | - | - | - | - | - |
| 14 Other | 1,661,066 | 10,373 | 118,074 | 664,395 | 670 | 2,454,578 |
| Total revenue | 3,936,779 | 4,557,144 | 5,431,302 | 4,457,868 | 1,711,227 | 20,094,320 |
| Expenses: | | | | | | |
| 20 Salaries and wages | 1,365,607 | 1,929,583 | 1,945,734 | 696,296 | 218,044 | 6,155,264 |
| 21 Materials, supplies and services | 1,127,758 | 3,107,730 | 699,583 | 3,314,449 | 452,990 | 8,702,510 |
| 22 Interest and other | 213,192 | 56,409 | 165,891 | - | 120,297 | 555,789 |
| 23 Amortization | 93,672 | 210,633 | 1,636,704 | 331,794 | 214,015 | 2,486,818 |
| Total expenses | 2,800,229 | 5,304,355 | 4,447,912 | 4,342,539 | 1,005,346 | 17,900,381 |
| Annual surplus (deficit) | 1,136,550 | (747,211) | 983,390 | 115,329 | 705,881 | 2,193,939 |

Section 4

City of Colwood Schedule of Debts For the year ended December 31, 2013

Long Term Debt

Information on the long term debt of the City of Colwood is shown in Note 4 of the financial statements.

Debt covered by sinking funds or reserves

As shown in Note 4 of the Financial Statements, long term debt of \$10,016,224 has been borrowed through the Municipal Finance Authority. The debentures are issued on a sinking fund basis.

Section 5

City of Colwood Schedule of Guarantee and Indemnity Agreements For the year ended December 31, 2013

The City of Colwood has not given any guarantees or indemnities under the Guarantees and Indemnities regulation.

Section 6

City of Colwood
Schedule of Remuneration and Expenses
For the year ended December 31, 2013
Elected Officials

| ELECTED OFFICIAL | BASE SALARY | EXPENSES |
|----------------------------------|--------------------|-----------------|
| Mayor Hamilton | \$23,753 | \$1,333 |
| Councillor Cullington | 11,876 | 1,941 |
| Councillor Day | 11,876 | 1,527 |
| Councillor Logan | 11,876 | 1,333 |
| Councillor Lukens | 11,876 | 1,333 |
| Councillor Martin | 11,876 | 1,097 |
| Councillor Sullivan | 11,876 | 1,859 |
| TOTAL - ELECTED OFFICIALS | \$95,009 | \$10,423 |

Section 7

City of Colwood Schedule of Remuneration and Expenses For the year ended December 31, 2013 Employees

| NAME | REMUNERATION * | EXPENSES ** |
|---------------------|----------------|-------------|
| Baxter, Michael | \$125,120.73 | \$767.90 |
| Bourhill, Iain | 83,861.56 | 4,771.94 |
| Boyle, Rob | 89,727.17 | 100.00 |
| Brazier, Dan | 108,100.12 | 246.66 |
| Cameron, Russ | 127,547.51 | 5,175.16 |
| Cassidy, John | 104,631.25 | 522.00 |
| Chow, Greg | 115,070.87 | 3,415.47 |
| Erwin, Bryan | 84,396.25 | 338.08 |
| Gale, Frank | 105,113.61 | 2,590.44 |
| Haldenby, Alan | 113,394.49 | 624.75 |
| Hall-Jardine, Kerry | 76,858.57 | 5,116.42 |
| Hepting, Jenn | 81,357.58 | 1,366.23 |
| Johnson, Rebecca | 113,054.39 | 6,146.93 |
| Lockhart, Helen | 79,202.36 | 612.25 |
| Mccusker, Emmet | 108,825.77 | 2,035.00 |
| Myles, Ross | 86,035.26 | 2,190.81 |
| North, Ron | 76,513.44 | 1,173.49 |
| Pease, Chris | 119,567.29 | 909.87 |

| | | |
|--|--------------------|------------------|
| Pikula, Flo | 103,322.38 | 2,802.96 |
| Skillings, Mike | 95,149.65 | 764.17 |
| Smith, Kerry | 118,154.47 | 6,333.95 |
| Twidale, Craig | 88,870.11 | 2,724.70 |
| Vanbuskirk, Pat | 105,017.59 | 1,677.62 |
| TOTAL OVER \$75,000 REMUNERATION | \$2,308,892 | \$52,407 |
| TOTAL UNDER \$75,000 REMUNERATION | \$2,756,843 | \$86,508 |
| TOTAL ALL | \$5,065,735 | \$138,915 |

* Remuneration (a) includes any form of salary, wages, bonuses, gratuities, taxable benefits, payment into trust or any form of income deferral paid by the corporation to the employee or on behalf of the employee during the fiscal year being reported upon, whether or not such remuneration is reported under the Income Tax Act (Canada) and (b) does not include anything payable under a severance agreement.

** Expenses are defined as travel expenses, memberships, tuition, relocation, vehicle expenses, extraordinary hiring expenses, registration fees and similar amounts paid directly to an employee or to a third party on behalf of the employee, which has not been included in 'remuneration.'

Section 8

City of Colwood **Schedule of Severance Agreements** For the year ended December 31, 2013

During the fiscal year ended December 31, 2013, the City of Colwood entered into one severance agreement ranging in a 5.5 month duration.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7).

Section 9

City of Colwood Schedule of Payments to Suppliers of Goods and Services For the year ended December 31, 2013

| SUPPLIER NAME | AGGREGATE AMOUNT PAID TO SUPPLIER |
|--|--------------------------------------|
| 0954983 BC LTD | 29,954.00 |
| ALPINE RECYCLING | 34,006.64 |
| AON REED STENHOUSE INC | 67,269.00 |
| ASSOCIATED ENGINEERING (B.C.)LTD | 91,435.02 |
| ASSOCIATED FIRE SAFETY | 25,500.60 |
| BC ASSESSMENT AUTHORITY HEAD OFFICE | 217,235.99 |
| BC HYDRO & POWER AUTHORITY | 221,172.49 |
| BC TRANSIT | 987,755.78 |
| BRANDT TRACTOR LTD VICTORIA OFFICE | 129,714.07 |
| BRICKLOK SURFACING AND LANDSCAPE SUPPLIES LTD | 79,389.45 |
| CAPITAL CITY PAVING | 45,184.50 |
| CAPITAL REGIONAL DISTRICT | 2,951,902.90 |
| CAPITAL REGIONAL DIST. WATER | 234,252.69 |
| CAPITAL REGIONAL DISTRICT ANIMAL CONTROL DIVISION | 53,900.00 |
| CAPITAL REGIONAL HOSPITAL DISTRICT | 1,018,141.63 |
| CHEVRON CANADA LIMITED | 108,211.30 |
| CHEW EXCAVATING LTD. | 398,586.90 |
| CITY GREEN SOLUTIONS SOCIETY | 242,765.49 |
| CITY OF LANGFORD | 188,804.31 |
| COLWOOD VOLUNTEER FIREFIGHTERS ASSOCIATION | 30,600.00 |
| CO-OPERATORS | 31,860.54 |
| CREST (EMERGENCY SERVICES) | 43,255.60 |
| DALE KROPPMANN'S REALTY | 64,856.16 |
| DESOUZA ARNOLD LLP | 44,394.30 |
| DIAMOND MUNICIPAL SOLUTIONS | 64,644.97 |
| DISTRICT OF SAANICH | 138,323.19 |
| DL'S BINS LTD | 55,847.35 |
| E.H. EMERY ELECTRIC LTD | 73,619.09 |
| FREUNDLICH, CLIVE | 65,187.70 |
| GREATER VICTORIA LABOUR RELATIONS ASSOCIATION | 114,078.86 |
| GREATER VICTORIA PUBLIC LIBRARY | 822,327.75 |
| GREGG DISTRIBUTORS CO. LTD. | 28,832.51 |
| ISLAND KEY COMPUTER LTD | 48,071.26 |
| JENNER CHEVROLET BUICK GMC | 84,670.10 |
| JUAN DE FUCA SENIORS SOCIETY | 25,000.00 |

| | |
|--|--------------|
| KPMG LLP ACCOUNTING SERVICE | 40,565.00 |
| MAVRIKOS, ADIA | 34,779.07 |
| METRO FORD | 99,597.12 |
| MINISTER FINANCE-MSP COVERAGE | 80,921.50 |
| MUNICIPAL INSURANCE ASSOCIATION | 119,855.00 |
| P & R TRUCK CENTRE LTD | 176,858.11 |
| PACIFIC BLUE CROSS | 171,061.38 |
| PACIFIC CENTRE FAMILY SERVICE | 38,416.70 |
| PATTERSON ADAMS BARRISTERS & SOLICITORS | 35,060.00 |
| PENINSULA CONSUMER SERVICES CO-OP | 101,460.00 |
| POWERTECH LABS INC | 55,710.95 |
| RAYLEC POWER LTD | 96,227.52 |
| RECEIVER GENERAL FOR CANADA | 1,657,982.83 |
| ROCKY MOUNTAIN PHOENIX | 56,352.96 |
| RONA INC | 34,046.51 |
| ROYAL ROADS UNIVERSITY | 32,631.57 |
| SCHOOL DISTRICT #62 | 39,382.00 |
| SCHO'S LINE PAINTING LTD | 29,508.15 |
| SHELL CANADA PRODUCTS | 35,829.16 |
| SOUTH ISLAND POWER SWEEPING | 35,046.05 |
| SOUTHERN VANCOUVER ISLAND PUBLIC EMPLOYEES | 67,640.99 |
| STANTEC CONSULTING LTD | 37,467.28 |
| TD VISA - JOANNE TOPPING | 30,406.43 |
| TD VISA - REBECCA JOHNSON | 93,658.11 |
| TD VISA-KERRY SMITH | 27,498.81 |
| UPANUP STUDIOS | 71,064.00 |
| URBAN SYSTEMS | 51,272.17 |
| WEST COAST COMTEMPORARY HOMES | 161,693.50 |
| WEST SHORE PARKS & REC SOCIETY | 1,123,897.34 |
| WESTCOAST MACHINERY | 50,514.49 |
| WESTSHORE PARKS & RECREATION JUAN DE FUCA | 281,276.17 |
| YOUNG,ANDERSON | 129,341.90 |

| | |
|---|------------------------|
| PAYMENTS TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS EXCEEDING \$25,000 | \$13,957,774.91 |
|---|------------------------|

| | |
|---|-----------------------|
| CONSOLIDATED TOTAL PAID TO SUPPLIERS WHO RECEIVED AGGREGATE PAYMENTS OF \$25,000 OR LESS | \$1,508,835.17 |
|---|-----------------------|

Section 10

City of Colwood
Schedule of Grants and Contributions
 For the year ended December 31, 2013

| ORGANIZATION | AMOUNT |
|---|--------------------|
| The Greater Victoria Bike to Work Society | \$1,500.00 |
| YesBC (Youth for Environmental Stewardship) | 1,000.00 |
| Big Brothers Big Sisters of Victoria Capital Region | 2,000.00 |
| RCL Prince Edward #91 | 2,000.00 |
| Need2 | 1,021.00 |
| Fort Rodd Hill and Fisgard Lighthouse | 2,000.00 |
| Volunteer Victoria | 1,000.00 |
| Rotary Club of Colwood | 1,000.00 |
| Vancouver Island South Film Commission | 100.00 |
| Belmont Secondary School (Dry Grad) | 1,000.00 |
| Juan De Fuca Senior Citizens' Association | 1,500.00 |
| TOTAL GRANTS AND CONTRIBUTIONS | \$14,121.00 |



CITY OF COLWOOD

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