

Financial Statements of

**THE CORPORATION OF THE
DISTRICT OF CENTRAL SAANICH**

Year ended December 31, 2023

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Financial Statements

Year ended December 31, 2023

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Corporation of the District of Central Saanich (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting standards for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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

On behalf of the District:

Chief Administrative Officer

Director of Financial Services

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of The Corporation of the District of Central Saanich

Opinion

We have audited the financial statements of the Corporation of the District of Central Saanich (the "Entity"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements".)

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.



Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Victoria, Canada

_____, 2024

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Financial Position

December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|----------------|----------------|
| Financial assets | | |
| Cash and cash equivalents (note 2) | \$ 13,235,135 | \$ 11,901,190 |
| Investments (note 2) | 56,206,388 | 46,756,601 |
| Property taxes receivable | 455,178 | 449,008 |
| Accounts receivable | 5,320,914 | 4,784,748 |
| Other government receivables | 117,288 | 103,389 |
| | 75,334,903 | 63,994,936 |
| Financial liabilities | | |
| Accounts payable and accrued liabilities (note 3) | 2,272,124 | 2,440,805 |
| Refundable deposits | 3,591,718 | 3,518,153 |
| Deferred revenue (note 4) | 9,315,417 | 8,066,274 |
| Debt (note 5) | 6,978,217 | 7,446,614 |
| Employee future benefit obligations (note 6) | 1,488,800 | 1,415,700 |
| Asset retirement obligation (note 7) | 693,855 | - |
| | 24,340,131 | 22,887,546 |
| Net financial assets | 50,994,772 | 41,107,390 |
| Non financial assets | | |
| Tangible capital assets (note 8) | 93,221,935 | 90,573,475 |
| Inventory of supplies | 553,476 | 563,221 |
| Prepaid expenses | 288,255 | 230,047 |
| | 94,063,666 | 91,366,743 |
| Commitments and contingencies (note 12) | | |
| Accumulated surplus (note 9) | \$ 145,058,438 | \$ 132,474,133 |

The accompanying notes are an integral part of these financial statements

On behalf of the District:

Director of Financial Services

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

| | Financial plan (note 13) | 2023 | 2022 |
|--|-----------------------------|----------------|----------------|
| Revenue: | | | |
| Municipal property taxes (note 10) | \$ 20,466,000 | \$ 20,456,271 | \$ 19,358,957 |
| Grants in lieu of taxes | 377,800 | 374,256 | 344,584 |
| Sale of services | 2,728,600 | 2,514,577 | 2,003,300 |
| Permits, licenses and interest | 2,041,700 | 4,143,851 | 2,631,005 |
| Government transfers (note 11) | 3,517,000 | 7,095,865 | 2,146,032 |
| Water utility | 6,285,100 | 6,645,855 | 6,222,285 |
| Sewer enterprise | 2,090,500 | 2,100,139 | 1,996,529 |
| Contributions and donations | 60,000 | 689,688 | 854,324 |
| Total revenue | 37,566,700 | 44,020,502 | 35,557,016 |
| Expenses: | | | |
| General government | 5,531,200 | 3,633,428 | 3,055,527 |
| Protective services | 10,830,000 | 11,373,718 | 10,559,810 |
| Transportation services | 4,732,100 | 4,427,033 | 4,284,698 |
| Environmental development services | 1,604,300 | 809,892 | 649,495 |
| Parks and cultural services | 1,647,400 | 3,830,926 | 3,550,552 |
| Water utility | 5,661,800 | 5,830,770 | 5,614,600 |
| Sewer enterprise | 1,253,700 | 1,065,846 | 1,134,742 |
| Other fiscal services | 1,401,800 | 464,584 | 342,913 |
| Total expenses | 32,662,300 | 31,436,197 | 29,192,337 |
| Annual surplus | 4,904,400 | 12,584,305 | 6,364,679 |
| Accumulated surplus, beginning of year | 132,474,133 | 132,474,133 | 126,109,454 |
| Accumulated surplus, end of year | \$ 137,378,533 | \$ 145,058,438 | \$ 132,474,133 |

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

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Change in Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

| | Financial plan (note 13) | 2023 | 2022 |
|--|-----------------------------|---------------|---------------|
| Annual surplus | \$ 4,904,400 | \$ 12,584,305 | \$ 6,364,679 |
| Acquisition of tangible capital assets | (11,805,300) | (4,234,717) | (3,791,702) |
| Developer contributions of tangible capital assets | - | (487,811) | (311,565) |
| Amortization of tangible capital assets | 3,300,000 | 2,767,924 | 2,967,547 |
| Asset retirement obligation (note 7) | - | (693,855) | - |
| | (8,505,300) | (2,648,459) | (1,135,720) |
| Acquisition of inventory of supplies | - | 9,744 | (74,944) |
| Use of prepaid expenses | - | (58,208) | (18,863) |
| | - | (48,464) | (93,807) |
| Change in net financial assets | (3,600,900) | 9,887,382 | 5,135,152 |
| Net financial assets, beginning of year | 41,107,390 | 41,107,390 | 35,972,238 |
| Net financial assets, end of year | \$ 37,506,490 | \$ 50,994,772 | \$ 41,107,390 |

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

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|---|---------------|---------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 12,584,305 | \$ 6,364,679 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 2,767,924 | 2,967,547 |
| Donation of tangible capital assets | (487,811) | (311,565) |
| Actuarial adjustment on debt | (124,306) | (108,637) |
| Changes in non-cash operating assets and liabilities: | | |
| Property taxes receivable | (6,170) | (107,073) |
| Accounts receivable | (536,166) | (946,710) |
| Other government receivables | (13,899) | 2,086 |
| Accounts payable and accrued liabilities | (168,680) | 369,355 |
| Refundable deposits | 73,565 | 262,430 |
| Deferred revenue | 1,249,143 | (151,743) |
| Employee future benefit obligations | 73,100 | 98,100 |
| Inventory of supplies | 9,744 | (74,944) |
| Prepaid expenses | (58,208) | (18,863) |
| | 15,362,541 | 8,344,662 |
| Capital activities: | | |
| Acquisition of tangible capital assets | (4,234,717) | (3,791,702) |
| | (4,234,717) | (3,791,702) |
| Investing activities: | | |
| Purchase of investments | (9,449,787) | (26,515,488) |
| Financing activities: | | |
| Debt repaid | (344,091) | (344,090) |
| Increase (decrease) in cash and cash equivalents | 1,333,945 | (22,306,618) |
| Cash and cash equivalents, beginning of year | 11,901,190 | 34,207,808 |
| Cash and cash equivalents, end of year | \$ 13,235,135 | \$ 11,901,190 |
| Supplemental cash flow information: | | |
| Cash paid for interest | \$ (493,644) | \$ (300,702) |
| Cash received from interest | 2,325,940 | 1,214,524 |
| | \$ 1,832,296 | \$ 913,822 |

The accompanying notes are an integral part of these financial statements

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

The Corporation of the District of Central Saanich (the "District") 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 District's principal activities include the provision of local government services to residents of the incorporated area.

1. Significant accounting policies:

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

(a) Reporting entity:

The financial statements reflect the assets, liabilities, revenues and expenses of the District's activities and funds. Inter departmental balances and transactions have been eliminated. The District does not administer any trust activities on behalf of external parties. The District does not control any external entities and accordingly no entities have been consolidated into the financial statements.

(b) Basis of accounting:

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

(c) Government transfers:

Government transfers without stipulations restricting their use are recognized in the financial statements as revenue in the period in which the transfers are authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made. Government transfers with stipulations restricting their use and that give rise to an obligation that meets the definition of a liability are recognized in the financial statements as revenues in the period in which the eligible expenditures are incurred, providing they are authorized and eligibility criteria are met.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Property tax revenue:

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

(e) Deferred revenue:

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

(f) Cash and cash equivalents:

Cash and cash equivalents are defined as cash on hand, demand deposits, and short term highly liquid investments with a maturity date of less than 3 months at acquisition that are readily converted to known amounts of cash and which are subject to an insignificant risk of change in value.

Cash equivalents consist of investments in Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(g) Investments:

Investments are recorded at cost plus earnings that are reinvested in the funds. 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.

(h) Deposits:

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

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(i) Employee future benefits:

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

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

(j) Debt:

Debt is recorded net of repayments and actuarial earnings. Debt is recorded in the related segment that uses the proceeds to fund capital expenditures.

(k) Non-financial assets:

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

(i) Tangible capital assets:

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

| Asset | Useful life - years |
|-------------------------|---------------------|
| Land improvements | 15 - 40 |
| Buildings | 25 - 40 |
| Equipment and vehicles | 3 - 25 |
| Roads infrastructure | 20 - 60 |
| Drainage infrastructure | 5 - 60 |
| Sewer infrastructure | 5 - 60 |
| Water infrastructure | 5 - 60 |

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. Heritage buildings are not amortized as they have an indefinite service potential. Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than book value of the asset.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies (continued):

(k) Non-financial assets (continued):

(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) Interest capitalization:

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

(iv) Inventory of supplies:

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost.

(l) Liability for contaminated sites:

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

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

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

(m) Asset retirement obligations:

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

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

An liability for the removal of asbestos in several of the buildings owned by the District has also been recognized based on estimated future remediation expenses. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets and are being amortized with the buildings following the amortization policies outlined in note 1(k).

(n) Financial instruments:

The District's financial instruments include cash and cash equivalents, investments, accounts receivable, property taxes receivable, other government receivables, accounts payable and accrued liabilities, accrued payroll and benefits and debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless the District elects to carry the financial instrument at fair value. The District has not elected to carry any other financial instruments at fair value.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses. They are recorded in the Statement of Operations when they are realized. There are no unrealized changes in fair value in the years presented; as a result, the District does not have a Statement of Remeasurement Gains and Losses.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost are included in the cost and amortized on an effective interest basis.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

(o) Measurement uncertainty:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating useful lives of tangible capital assets, asset retirement obligations and estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from those estimates.

(p) Adoption of new accounting policies:

(i) Asset retirement obligations:

On January 1, 2023, the District adopted PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities.

In accordance with provisions of this new standard, the District recognized an increase in tangible capital assets and asset retirement obligation liability at January 1, 2023 of \$693,855.

(ii) Financial instruments suite of standards:

On January 1, 2023, the District adopted PS 3450 – *Financial Instruments*, PS 2601 *Foreign Currency Translation*, PS1201 *Financial Statement Presentation* and PS3041 *Portfolio Investments*. The standard was adopted prospectively from the date of adoption. The new standard provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the District's accounting policy choices.

The adoption of this new standard did not result in changes to previously reported amounts in the financial statements.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

2. Cash and cash equivalents and investments:

| | 2023 | 2022 |
|--|----------------------|----------------------|
| Bank deposits | \$ 9,894,695 | \$ 10,690,234 |
| Municipal Finance Authority - Money Market | 3,205,147 | 1,079,002 |
| Restricted cash - MFA cash deposit | 135,293 | 131,954 |
| | <u>\$ 13,235,135</u> | <u>\$ 11,901,190</u> |
| Investments | \$ 56,206,388 | \$ 46,756,601 |

Investments consist of Municipal Finance Authority of British Columbia ("MFA") Intermediate and Bond Funds, guaranteed investment certificates and other fixed income securities which have costs that approximate market values. Included in investments is \$3,904,938 (2022 - \$2,974,533) that can only be used for expenditures as provided by the development cost charge reserve bylaw and the relevant sections of the Local Government Act, unless otherwise authorized by the Ministry of Municipal Affairs, Province of British Columbia.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

3. Accounts payable and accrued liabilities:

| | 2023 | 2022 |
|--|--------------|--------------|
| Trade accounts payable | \$ 929,730 | \$ 1,269,173 |
| Other government agencies | 434,931 | 459,455 |
| Accrued salary, wages and employee benefits: | | |
| Payroll | 588,719 | 377,982 |
| Vacation | 176,104 | 196,656 |
| Overtime | 142,640 | 137,539 |
| | \$ 2,272,124 | \$ 2,440,805 |

4. Deferred revenue:

| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| Parkland acquisition funds | \$ 320,027 | \$ 308,027 |
| Development cost charges | 3,904,938 | 2,974,533 |
| Restricted contractor donations | 2,529,225 | 2,460,367 |
| Prepaid taxes and other | 2,561,227 | 2,323,347 |
| | \$ 9,315,417 | \$ 8,066,274 |

Schedule of Development Cost Charges

| | 2023 | 2022 |
|---|--------------|--------------|
| Opening balance of unspent funds | \$ 2,974,533 | \$ 2,964,782 |
| Development cost charges received during year | 963,282 | 264,310 |
| Interest earned | 131,000 | 71,300 |
| | 1,094,282 | 335,610 |
| Less amount spent on projects and recorded as revenue | (163,877) | (325,859) |
| Closing balance of unspent funds | \$ 3,904,938 | \$ 2,974,533 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

5. Debt:

- (a) The District issues debt instruments through the Municipal Finance Authority (MFA) pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenses.

The Loan agreements with the Capital Regional District and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the District.

| | Gross debt | Repayments and actuarial earnings | Net debt 2023 | Net debt 2022 |
|----------------------|---------------|---|------------------|------------------|
| General Capital Fund | \$ 10,856,873 | \$ 468,397 | \$ 6,978,217 | \$ 7,446,614 |

As a condition of the borrowing through the MFA, the District is obligated to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. The deposits are included in the District's financial statements as restricted cash. If the debt is repaid without default, the deposits are refunded to the District. The notes, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default and are not recorded in the financial statements. Upon the maturity of a debt issue the demand notes are released and deposits refunded to the District. As at December 31, 2023, there were contingent demand notes of \$226,811 (2022 - \$226,811) which are not included in the financial statements of the District.

- (b) Principal payments on debt for the next five years including actuarial adjustment are as follows:

| | |
|---------------------|--------------|
| 2023 | \$ 344,091 |
| 2024 | 344,091 |
| 2025 | 290,409 |
| 2026 | 218,834 |
| 2027 | 218,834 |
| 2028 and thereafter | 5,561,958 |
| | <hr/> |
| | \$ 6,978,217 |

- (c) Interest expense on long term debt during the year was \$266,797 (2022 - \$266,797). Interest rates on long term debt range from 2.75% to 4.20% per annum.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

6. Employee future benefit obligations:

The District provides sick leave and certain other benefits to its employees.

| | 2023 | 2022 |
|-------------------------------|--------------|--------------|
| Employee benefit obligations: | | |
| Accumulated sick leave | \$ 571,000 | \$ 551,300 |
| Retirement benefits | 917,800 | 864,400 |
| | \$ 1,488,800 | \$ 1,415,700 |

Accumulated sick leave represents the liability for sick leave banks accumulated for estimated draw down at future dates.

Retirement benefits represent the District's share of the cost to provide employees with various benefits upon retirement including lump sum retirement payments, death benefits and certain vacation entitlements in the year of retirement for qualified employees.

The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation as at December 31, 2023.

Information about liabilities for employee future benefit plans is as follows:

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| Accrued future benefit obligation: | | |
| Balance, beginning of year | \$ 1,415,700 | \$ 1,317,600 |
| Current service cost | 123,800 | 144,200 |
| Interest cost | 53,500 | 35,400 |
| Benefits payments | (97,200) | (98,600) |
| Amortization of actuarial gain | (7,000) | 17,100 |
| Balance, end of year | \$ 1,488,800 | \$ 1,415,700 |

The difference between the actuarially determined accrued future benefit obligation as at December 31, 2023 of \$1,205,100 and the accrued benefit liability of \$1,488,800 is an actuarial gain of \$283,700. This actuarial gain will be amortized over a period equal to the employees' average remaining service lifetime of 11 years.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

6. Employee future benefit obligations (continued):

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

| | 2023 | 2022 |
|------------------------------------|-------------|-------------|
| Discount rates | 4.10% | 4.40% |
| Expected future inflation rates | 2.50% | 2.50% |
| Expected wage and salary increases | 0% to 3.40% | 0% to 3.40% |

Municipal Pension Plan

The District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula.

As at December 31, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

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

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

The District paid \$1,280,848 (2022 - \$1,184,393) for employer contributions while employees contributed \$1,077,182 (2022 - \$989,391) to the plan in fiscal 2023.

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

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

7. Asset retirement obligations:

The District's asset retirement obligations consist of:

a) Water wells

The District owns two water wells. Under the *Water Sustainability Act*, an owner of a well which is not in service must ensure that the well is deactivated or decommissioned as soon as practicable. The process of decommissioning a well involves completely filling in the well by a qualified professional.

b) Asbestos containing materials

The District owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it.

Following the adoption of PS3280 – *Asset retirement obligations*, the District recognized an obligation relating to the removal and post-removal care of asbestos in these buildings and water wells as estimated at January 1, 2023.

The recognition of asset retirement obligations involved an accompanying increase to the buildings and water infrastructure tangible capital assets (see note 8).

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

| | Water wells | Asbestos removal | Total |
|----------------------------------|----------------|---------------------|---------|
| Opening balance | \$ - | \$ - | \$ - |
| Adjustment on adoption of PS3280 | 25,182 | 668,673 | 693,855 |
| Accretion expense | - | - | - |
| Closing balance | 25,182 | 668,673 | 693,855 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

8. Tangible capital assets:

| 2023 | | Land improvements | Buildings | Equipment and vehicles | Roads infrastructure | Drainage infrastructure | Sewer infrastructure | Water infrastructure | Assets under construction | Total |
|---|----|-------------------|--------------|------------------------|----------------------|-------------------------|----------------------|----------------------|---------------------------|---------------------------|
| Cost | | | | | | | | | | |
| Balance, beginning of year | \$ | 30,721,615 | \$ 9,272,784 | \$ 18,915,939 | \$ 14,855,931 | \$ 62,162,733 | \$ 17,647,106 | \$ 15,546,121 | \$ 19,841,420 | \$ 340,888 \$ 189,304,537 |
| Additions including transfers | | - | 277,682 | 138,513 | 1,023,694 | 1,275,432 | 280,134 | 19,975 | 1,240,413 | 492,283 4,748,126 |
| Additions – asset retirement obligations (note 7) | | - | - | 668,673 | - | - | - | - | 25,182 | - 693,855 |
| Disposals and transfers | | - | - | - | (541,151) | - | - | - | - | (25,597) (566,748) |
| Balance, end of year | | 30,721,615 | 9,550,466 | 19,723,125 | 15,338,474 | 63,438,165 | 17,927,240 | 15,566,096 | 21,107,015 | 807,574 194,179,770 |
| Accumulated amortization: | | | | | | | | | | |
| Balance, beginning of year | | - | 4,610,259 | 7,597,945 | 10,552,430 | 48,976,282 | 10,435,197 | 8,565,106 | 7,993,843 | - 98,731,062 |
| Amortization | | - | 164,561 | 534,204 | 660,208 | 748,524 | 193,432 | 182,144 | 284,851 | - 2,767,924 |
| Disposals | | - | - | - | (541,151) | - | - | - | - | - (541,151) |
| Balance, end of year | | - | 4,774,820 | 8,132,149 | 10,671,487 | 49,724,806 | 10,628,629 | 8,747,250 | 8,278,694 | - 100,957,835 |
| Net book value, end of year | \$ | 30,721,615 | \$ 4,775,646 | \$ 11,590,976 | \$ 4,666,987 | \$ 13,713,359 | \$ 7,298,611 | \$ 6,818,846 | \$ 12,828,321 | \$ 807,574 \$ 93,221,935 |

| 2022 | | Land improvements | Buildings | Equipment and vehicles | Roads infrastructure | Drainage infrastructure | Sewer infrastructure | Water infrastructure | Assets under construction | Total |
|-------------------------------|----|-------------------|--------------|------------------------|----------------------|-------------------------|----------------------|----------------------|---------------------------|---------------------------|
| Cost | | | | | | | | | | |
| Balance, beginning of year | \$ | 30,721,615 | \$ 8,803,596 | \$ 18,586,604 | \$ 14,735,778 | \$ 61,175,437 | \$ 17,516,723 | \$ 15,302,470 | \$ 18,172,031 | \$ 412,705 \$ 185,426,959 |
| Additions including transfers | | - | 469,188 | 329,335 | 345,842 | 987,296 | 130,383 | 243,651 | 1,669,389 | 83,586 4,258,670 |
| Disposals and transfers | | - | - | - | (225,689) | - | - | - | - | (155,403) (381,092) |
| Balance, end of year | | 30,721,615 | 9,272,784 | 18,915,939 | 14,855,931 | 62,162,733 | 17,647,106 | 15,546,121 | 19,841,420 | 340,888 189,304,537 |
| Accumulated amortization: | | | | | | | | | | |
| Balance, beginning of year | | - | 4,463,372 | 7,131,542 | 10,119,175 | 47,963,376 | 10,240,419 | 8,339,871 | 7,731,449 | - 95,989,204 |
| Amortization | | - | 146,887 | 466,403 | 658,944 | 1,012,906 | 194,778 | 225,235 | 262,394 | - 2,967,547 |
| Disposals | | - | - | - | (225,689) | - | - | - | - | - (225,689) |
| Balance, end of year | | - | 4,610,259 | 7,597,945 | 10,552,430 | 48,976,282 | 10,435,197 | 8,565,106 | 7,993,843 | - 98,731,062 |
| Net book value, end of year | \$ | 30,721,615 | \$ 4,662,525 | \$ 11,317,994 | \$ 4,303,501 | \$ 13,186,451 | \$ 7,211,909 | \$ 6,981,015 | \$ 11,847,577 | \$ 340,888 \$ 90,573,475 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

8. Tangible capital assets:

(a) Assets under construction:

Assets under construction totaling \$807,574 (2022 - \$340,888) are not being amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets:

During the year there were contributed assets of \$487,811 (2022 - \$311,565) recognized, which represents their fair market value at the date of contribution.

The contributed infrastructure consisted of land improvements \$nil (2022 - \$18,750), roads \$284,846 (2022 - \$100,715), drains \$177,815 (2022 - \$45,350), water \$8,250 (2022 - \$120,000) and sewer \$16,900 (2022 - \$26,750).

(c) Works of art and historical treasures:

The District manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at District 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:

There were no write downs of tangible capital assets in use during the years presented.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

9. Accumulated surplus:

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

| | 2023 | 2022 |
|---|----------------|----------------|
| Surplus: | | |
| Invested in tangible capital assets | \$ 85,549,863 | \$ 83,126,861 |
| General | 7,162,788 | 8,099,082 |
| Total surplus | 92,712,651 | 91,225,943 |
| Reserve funds set aside for specific purposes by Council: | | |
| Affordable housing contributions | 176,500 | 182,500 |
| Amenity contributions | 802,000 | 780,000 |
| Protective services | 513,836 | 513,836 |
| Federal gas tax | 6,027,179 | 5,910,075 |
| Financial stabilization | 830,766 | 530,766 |
| General debt retirement | 5,210,800 | 4,428,100 |
| Climate action – oil to heat pump program | 320,000 | 143,378 |
| Climate action | 884,386 | 720,648 |
| Future expenditures | 1,905,027 | 1,405,630 |
| General conditional contribution | 36,712 | 36,712 |
| Tree contribution | 12,800 | 9,800 |
| New infrastructure | 239,700 | 46,100 |
| COVID-19 Safe Restart | 689,411 | 1,352,716 |
| Growing Communities Reserve | 5,607,800 | - |
| BH Turf Field Loan Reserve | 250,000 | - |
| Total | 23,506,917 | 16,060,261 |
| Statutory Reserve Funds set aside for specific purposes by Bylaw: | | |
| Fire vehicles and equipment | 1,341,662 | 986,611 |
| Police vehicles and equipment | 300,676 | 439,033 |
| General vehicles and equipment | 1,266,973 | 1,001,805 |
| Technology replacement | 220,613 | 247,530 |
| Roads replacement | 307,100 | 295,600 |
| Drainage replacement | 982,588 | 896,788 |
| Building replacement | 771,200 | 586,400 |
| General capital | 9,643,233 | 7,589,472 |
| Local service area | 307,990 | 296,490 |
| Land sale reserve | 1,497,930 | 1,441,930 |
| Water utility | 4,524,027 | 4,924,565 |
| Sewer enterprise | 7,674,878 | 6,481,705 |
| Total | 28,838,870 | 25,187,929 |
| | \$ 145,058,438 | \$ 132,474,133 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

9. Accumulated surplus (continued):

Schedule of Federal gas tax reserve

| | 2023 | 2022 |
|----------------------------------|--------------|--------------|
| Opening balance of unspent funds | \$ 5,910,075 | \$ 5,313,740 |
| Funds received during year | 832,608 | 797,900 |
| Interest earned | 227,400 | 134,600 |
| Less amount spent on projects: | | |
| Road reconstruction | (840,586) | (251,132) |
| Drainage replacement | (102,318) | (85,033) |
| Closing balance of unspent funds | \$ 6,027,179 | \$ 5,910,075 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

10. Municipal property taxes:

Municipal property tax revenue, reported on the statement of operations, is comprised of the following:

| | 2023 | 2022 |
|--|---------------|---------------|
| General taxation: | | |
| Property taxes | \$ 40,385,587 | \$ 37,849,942 |
| Less taxes levied for other authorities: | | |
| Provincial Government - school taxes | 10,799,250 | 9,900,893 |
| Capital Regional District | 5,621,861 | 5,459,414 |
| Capital Regional Hospital District | 1,159,779 | 1,155,156 |
| BC Transit Authority | 2,023,839 | 1,673,005 |
| BC Assessment Authority | 322,731 | 300,866 |
| Municipal Finance Authority | 1,856 | 1,651 |
| | 19,929,316 | 18,490,985 |
| | \$ 20,456,271 | \$ 19,358,957 |

11. Government transfers:

The District recognizes the transfer of government funding as revenue when received and all related eligibility criteria and stipulations have been satisfied. The government transfers reported on the statement of operations are:

| | 2023 | 2022 |
|---|--------------|--------------|
| Provincial government: | | |
| Small communities and equalization payments | \$ 362,000 | \$ 425,403 |
| Infrastructure grants | - | 678,097 |
| Growing Communities Fund | 5,501,000 | - |
| Other | 400,257 | 244,632 |
| | 6,263,257 | 1,348,132 |
| Federal government: | | |
| Gas tax agreement funds | 832,608 | 797,900 |
| | \$ 7,095,865 | \$ 2,146,032 |

The District received \$5,501,000 a Growing Communities Fund grant of in March 2023 to support the delivery of infrastructure projects to enable community growth.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

12. Commitments and contingencies:

- (a) 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 District.
- (b) The District is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated which provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.
- (c) In the normal course of a year, claims for damages are made against the District. The District records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. The District is self-insured for general liability claims through membership in the Municipal Insurance Association of British Columbia, a reciprocal insurance exchange. Under this program, member municipalities are to share jointly for such claims in excess of individual deductibles ranging from \$5,000 to \$50,000 against any member. The District's deductible is \$10,000.
- (d) The District entered into a five year agreement for Police related dispatch services with E Comm Emergency Communications for British Columbia Incorporated effective January 1, 2021. The annual charge to the District will be based on the District's share of actual costs for the calendar year as determined in the agreement. The estimated cost for 2024 is \$378,000.
- (e) The District has identified a property that will be remediated in the future. A liability for estimated costs of \$130,000 has been recognized, as the District has committed to remediation and future economic benefits are expected to be given up.

13. Financial plan:

The financial plan presented in these financial statements is based upon the 2023 operating and capital budgets approved by Council on May 8th, 2023 adjusted for amortization and debt.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

14. Risk management:

The District has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and market risk (foreign currency risk, interest rate risk, and other price risk). Council is responsible for ensuring that the District has identified its major risks and ensures that management monitors and controls them. Management oversees the District's systems and practices of internal control and ensures that these controls contribute to the assessment and mitigation of risk. Management reports regularly to Council on its activities. The District has experienced no change in its risk exposure and has not made any changes to its risk management policies and procedures during the year.

(a) Credit risk:

Credit risk is the risk of a financial loss to the District if a counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss. Such risks arise principally from certain financial assets held by the District consisting of cash and cash equivalents, investments and receivables.

Cash and cash equivalents and investments are held with reputable financial institutions with investment grade external credit ratings. The majority of receivables are owing from government agencies. The District is able to recover delinquent taxes through tax sale of properties with unpaid property taxes.

The District assesses on a continuous basis its receivables and provides for any amounts that are collectible in an allowance for doubtful accounts. The maximum exposure to credit risk is the carrying value of financial assets.

(b) Liquidity risk:

Liquidity risk is the risk that the District will not be able to meet its financial obligations as they become due. The District's objective is to have sufficient liquidity to meet these liabilities when due. The District prepares financial plans, monitors its cash balance and cash flows to meet its liquidity requirements. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

(c) Market risk:

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other price risks, will affect the District's results of operations or the fair value of its holdings of financial instruments. In the normal course of operations, the District makes purchases denominated in US dollars. The District does not have any material transactions denominated in foreign currencies at year end.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The District mitigates interest rate risk by investing in fixed-rate investments and debt. The District is subject to interest rate risk at maturity or refinancing.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

15. Segmented information:

The District 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 building services and maintenance, corporate administration, finance, human resources, legislative services and any other functions categorized as non-departmental.

Municipal services:

Municipal services include services provided to the residents of Central Saanich including police services, fire protection, building inspection, bylaw enforcement, development services and parks. These services are the direct responsibility of Council.

Water utility:

The water utility installs and maintains the water mains and pump stations and oversees the distribution of water purchased from the Capital Regional District.

Sewer enterprise:

The sewer enterprise installs and maintains the sewer mains and pump stations of the District.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The taxation revenues are allocated to the functions based on budgeted expenditures for 2022. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

| 2023 | General government | Municipal services | Water utility | Sewer enterprise | Total |
|---------------------------------|-----------------------|-----------------------|------------------|---------------------|---------------|
| Revenue: | | | | | |
| Taxation | \$ 5,207,632 | \$ 15,622,895 | \$ - | \$ - | \$ 20,830,527 |
| Non taxation | 8,107 | 14,435,874 | 6,645,855 | 2,100,139 | 23,189,975 |
| Total revenue | 5,215,739 | 30,058,769 | 6,645,855 | 2,100,139 | 44,020,502 |
| Expenses: | | | | | |
| Salaries, wages and benefits | 2,385,285 | 12,511,765 | 625,232 | 426,010 | 15,948,292 |
| Materials and supplies | 78,249 | 1,356,774 | 4,481,820 | 74,344 | 5,991,187 |
| Services | 892,257 | 4,513,552 | 428,756 | 383,348 | 6,217,913 |
| Other | - | 510,881 | - | - | 510,881 |
| Amortization | 277,637 | 2,013,181 | 294,962 | 182,144 | 2,767,924 |
| Total expenses | 3,633,428 | 20,906,153 | 5,830,770 | 1,065,846 | 31,436,197 |
| Annual surplus | \$ 1,582,311 | \$ 9,152,616 | \$ 815,085 | \$ 1,034,293 | \$ 12,584,305 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Notes to Financial Statements

Year ended December 31, 2023

15. Segmented information (continued):

| 2022 | General government | Municipal services | Water utility | Sewer enterprise | Total |
|---------------------------------|-----------------------|-----------------------|------------------|---------------------|---------------|
| Revenue: | | | | | |
| Taxation | \$ 4,925,885 | \$ 14,777,656 | \$ - | \$ - | \$ 19,703,541 |
| Non taxation | 8,410 | 7,626,251 | 6,222,285 | 1,996,529 | 15,853,475 |
| Total revenue | 4,934,295 | 22,403,907 | 6,222,285 | 1,996,529 | 35,557,016 |
| Expenses: | | | | | |
| Salaries, wages and benefits | 1,957,646 | 11,680,220 | 635,591 | 455,978 | 14,729,435 |
| Materials and supplies | 74,805 | 1,164,612 | 4,296,129 | 52,122 | 5,587,668 |
| Services | 820,038 | 3,956,326 | 413,820 | 401,407 | 5,591,591 |
| Other | - | 316,096 | - | - | 316,096 |
| Amortization | 203,038 | 2,270,214 | 269,060 | 225,235 | 2,967,547 |
| Total expenses | 3,055,527 | 19,387,468 | 5,614,600 | 1,134,742 | 29,192,337 |
| Annual surplus | \$ 1,878,768 | \$ 3,016,439 | \$ 607,685 | \$ 861,787 | \$ 6,364,679 |

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule - COVID-19 Restart Reserve (unaudited)

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|--|--------------|--------------|
| Balance, beginning of year | \$ 1,352,716 | \$ 1,639,901 |
| Deducted: | | |
| Facility and technology improvements | 31,109 | 26,500 |
| Grants or loans to other organizations | 250,000 | 6,500 |
| Economic recovery | - | 78,060 |
| COVID-19 related revenue impact | 377,200 | 100,000 |
| Materials and supplies | 339 | 48,644 |
| Custodial services | - | 20,858 |
| IT equipment | 4,657 | 6,623 |
| | 663,305 | 287,185 |
| Balance, end of year | \$ 689,411 | \$ 1,352,716 |

The balance of unspent funds has been fully committed with uses and contingencies in the Financial Plan for 2024, as well as a Council motion committing funds towards a future Food Hub.

THE CORPORATION OF THE DISTRICT OF CENTRAL SAANICH

Schedule - Growing Communities Fund Reserve (unaudited)

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|----------------------------|--------------|------|
| Balance, beginning of year | \$ - | \$ - |
| Provincial transfer | 5,501,000 | - |
| Interest earned | 106,800 | - |
| Balance, end of year | \$ 5,607,800 | \$ - |