



The Corporation of the District of Central Saanich

REGULAR COUNCIL REPORT

For the Regular Council meeting on Monday, May 12, 2025

Re: **2024 Audited Financial Statements**

RECOMMENDATION(S):

That the 2024 Audited Financial Statements be accepted.

BACKGROUND:

Section 167 of the Community Charter requires that each year municipal financial statements be prepared by the Financial Officer and presented to Council for acceptance. The District is required to prepare financial statements in accordance with generally accepted accounting standards as prescribed by the Public Sector Accounting Board. The attached financial statements have been certified by the Financial Officer and audited by the Districts auditors KPMG.

This report provides an overview of the financial statements in addition to the auditor's findings and presentation.

DISCUSSION:

Financial Position (page 4 of Financial Statements):

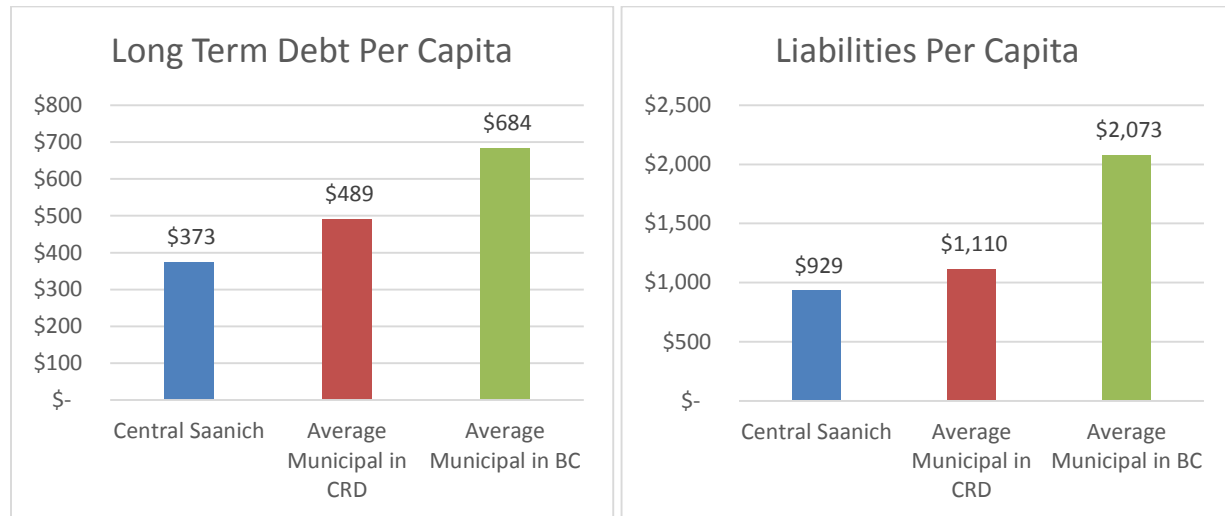
The District's overall financial position improved by \$12.2 million (M) in 2024 (\$145.1M to \$157.3M). This is largely due to the following:

- Tangible capital assets increased \$20.5M (including land acquisition for Hovey and Butterfield Park)
- Cash & Investments decreased \$5.9M, mainly due to increase in capital expenditures and land acquisition
- Accounts payables increased \$3.8M, due to outstanding payables on large capital projects

Other items to note include:

- Continued favourable returns in investment interest revenue
- Increase in deferred revenue (development cost charges and charges in lieu)
- Increase in accounts receivable (grants receivable)

Liabilities and debt are important factors in municipal financial health. Central Saanich has a reasonable level of liabilities and debt on a per capita basis in comparison regionally and across the province. The District's debt is expected to increase over the next five-years as identified in the 2025 capital plan.



(2023 LGD Statistics)

Statement of Operations (page 5 of Financial Statements):

The District's operations for the year resulted in a surplus of \$12.6M. This statement is in accordance with Public Sector Accounting Standards and does not take into consideration items such as transfers to/from reserves, capital expenditures, and debt. Council approves the Financial Plan based on all revenue and expense items and in order to provide consistent financial reporting, the operating results for the year are in the attached Appendix A with comments, in budget presentation format.

Reserves:

Reserves have decreased by \$7.5M in 2024 (\$52.3M to \$44.8M). As stated, there was an increase in reserves used for capital expenditures including land acquisition, but also due to delays in grant funding and MFA Debt issuance for the Brentwood/Hagen Sewer upgrade (using capital reserves in the interim). Additional transfers to reserves have been made based on 2024 surplus as indicated in the 2024 Q3 Financial Report presented to Council on November 4, 2024. Additional transfers are as follows:

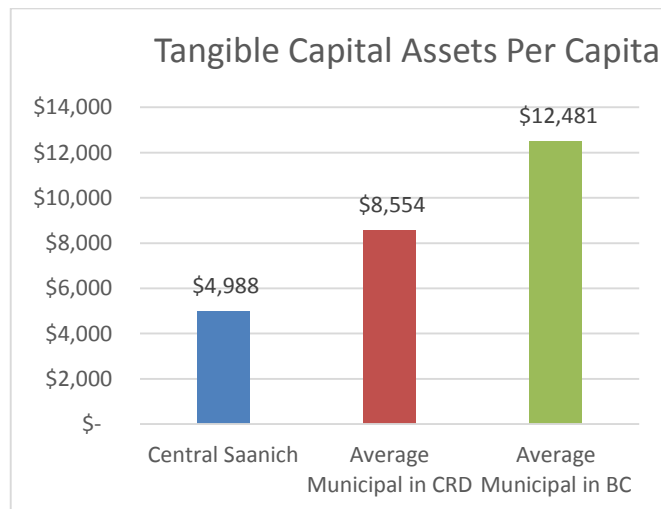
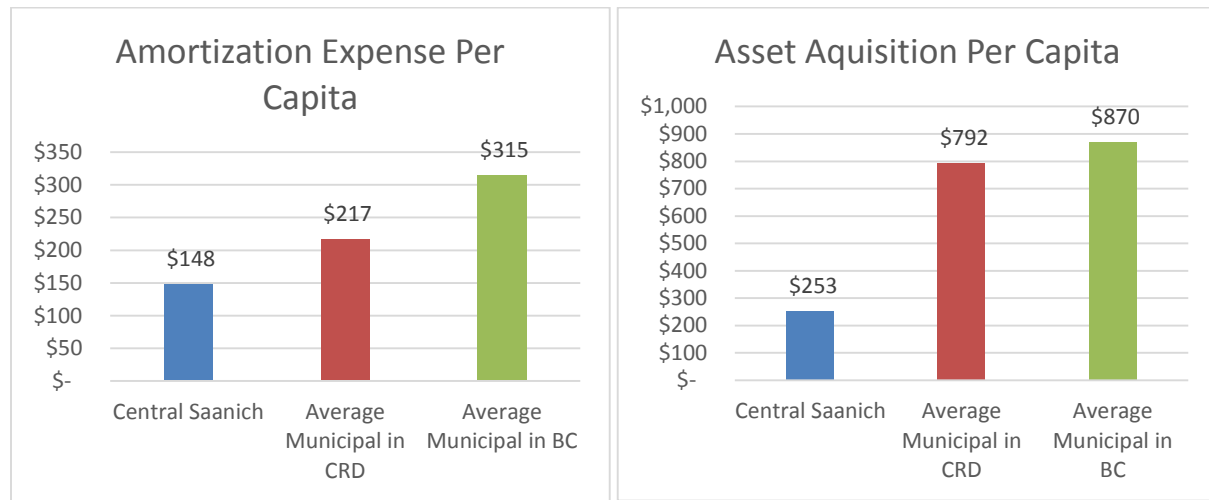
General Capital Reserve	200,000
Reserve for Future Expenditures – 2025 Strategic Projects	700,000
Total	\$ 900,000

Note 9 of the financial statements (page 21) details reserve holdings at December 31, 2024.

Total surplus and reserves of \$157.3M are modest for a municipality of our size and are in accordance with the District's Reserves policy.

Tangible Capital Assets (municipal infrastructure):

Measures of asset sustainability include annual acquisition spending relative to the asset base, amortization, new infrastructure required, and long term asset replacement plans.



Amortization, asset acquisition, and capital asset values are below both the Capital Region average and the Provincial average. The District will need to increase annual capital spending and replacement of infrastructure in accordance with the Districts Long Term Financial Plan and asset master plans in order to reach resilient replacement levels. The District has not kept pace with assets wearing out with its annual replacement. This concern is currently being addressed as the District's 2024 capital program saw significant replacement investment compared to previous years and this trend is expected to continue as end-of-life infrastructure is replaced.

The District's capital program has increased from \$11.8M in 2023 to now \$29M in 2024 (including budget amendments). Significant progress was made towards the 2024 capital plan with \$23M of the \$29M budget spent in 2024.

A number of significant capital projects were completed or substantially completed in 2024 including:

- Centennial Park Fieldhouse and Daycare Improvements (\$250k)
- Various equipment (IT, Police Fire and Works Yard) (\$1.2M)
- Multi-Use Path - Mt Newton Cross Rd (\$600k)
- Saanich X Rd sidewalk (\$500k)
- Annual road reconstruction (\$700k)
- 15 Vehicles, including 4 electric vehicles (\$2.7M)
- Hovey and Butterfield Park land acquisition (\$8M)
- Phase 1 (sewer mains) for the Brentwood/Hagen Sewer Upgrade (\$8.3M)

The District has procured all but one budgeted vehicles in 2024, and Phase 1 of the Brentwood/Hagen Sewer Upgrade (sewer mains) is scheduled to be completed by the end of April 2025. The District awarded the Phase 2 work (pump station and equipment) in April 2025 (\$4M).

CONCLUSION:

Central Saanich continued to improve its financial strength in 2024, by increasing capital assets and managing overall revenues and expenses within the 2024 financial plan budget. Continued financial discipline to move forward on the path outlined in the District's Long Term Financial Strategies and Resilient Asset Management Plan, and achieving annual replacement spending targets, will be critical success factors in the District's infrastructure long-term financial health.

Respectfully written and submitted by:	Fernando Pimentel, Acting Director of Finance and Technology Services
Concurrence by:	Christine Culham, Chief Administrative Officer

ATTACHMENTS:

Appendix A: Consolidated 2024 Budget Summary

Appendix B: 2024 Audited Financial Statements