

District of Saanich

2023 Financial Results at a Glance

Summary

The purpose of this document is to provide a high level overview of our financial statements and make it easier to understand. The financial results for 2023 were largely as planned. We built up our reserve funds so we can pay for the large facility projects coming up in the next few years. We invested in new capital assets by replacing end of life infrastructure and doing major repairs on our roadways and underground infrastructure (water, sewer, drainage). Our operations were consistent with plans established in the budget though we had more permit fees, interest and recreation revenue than budgeted due to larger development projects, a higher interest rate environment and increased usage of the recreation facilities. On the operating expenditure side more was spent on interest payments on prepaid taxes, materials and services purchased, and higher severance and claim payments. This was offset with savings in other areas due largely to staff vacancies.

Statement of Financial Position (000s)	2023	2022	Change
This chart describes the 2023 year end balances and changes to Saanich's assets and liabilities from last year.			
Total Cash and Investments			
Saanich's cash and investments increase as we set money aside in reserves to manage large expenditures coming up. We collect property taxes in June and July, so funds are required to hold us over until then.	\$ 315,712,211	\$ 286,998,398	\$ 28,713,813
Receivables			
Changes in receivables include an increase in interest earned on investments that haven't been received yet and utility bills that have been sent out to customers but haven't been paid at the end of the year. It can also include grants payments that we are waiting for senior governments to send us.	\$ 21,823,620	\$ 21,225,004	\$ 598,616
Accounts Payable and Accrued Liabilities			
Accounts payable and accrued liabilities remained consistent throughout the year. Operating payables decreased from prior year as retro was paid out in 2023. The slight increase for 2023 mainly resided in Water Capital.	\$ 29,429,113	\$ 29,334,801	\$ 94,312
Accrued Employee Benefits Obligations			
These amounts represent an estimation of the benefits that the District is obligated to pay employees upon retirement. Accounting rules require that we base the calculation on current value of expected payout upon retirement for all employees. The increase is due to the continuation of benefits to disabled employees, an increase in the number of disabled employees, and a decrease in the discount rate which has the impact of increasing the liability calculation.	\$ 21,560,239	\$ 21,002,139	\$ 558,100
Debt			
The increase in debt is attributed to a mixture of short and long term borrowing for capital infrastructure projects in transportation, parks, drain and sewer, as well as, renovation to the municipal hall.	\$ 57,735,841	\$ 46,613,765	\$ 11,122,076
Deferred Revenue			
Deferred revenues are monies received for a specific service that will be provided in the future. Common deferred revenues are recreation registration fees, passes and rentals as well as permit revenue received in 2022 for 2023. In addition, accounting rules require that Development Cost Charges (DCC) and Sub-regional Park Reserves (SPR) be reported as deferred revenue. Additional information is available in note 6 of the Financial Statements.	\$ 23,583,354	\$ 19,852,187	\$ 3,731,167
Deposits and Prepayments			
Deposits are funds paid to the District as a promise to get specific work done, such as promise to plant trees in a development; The deposit is returned to the depositor once that work is performed.	\$ 26,154,566	\$ 24,923,261	\$ 1,231,305
Asset Retirement Obligation			
This is a new Public Sector Accounting Board standard, PS3280, requiring us to record an estimated liability of the costs required to remove asbestos, hazardous materials, and contamination from land and buildings the District owns. As old buildings get redeveloped, the asset retirement obligations related to those buildings will be removed.	\$ 10,214,709	\$ -	\$ 10,214,709

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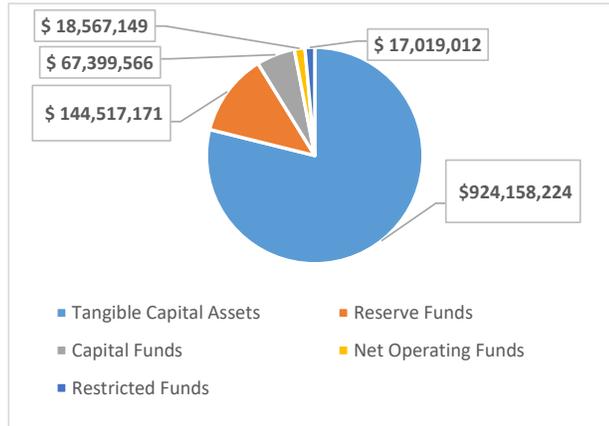
Deposits on Assets	2023	2022	Change
These are monies paid in 2023 and held for the future transaction to take place. This includes a deposit for the purchase of the land and building for the future Parks administration site on Lochside Drive and for a deposit on a new fire truck ultimately received in 2024.	\$ 3,251,101	\$ -	\$ 3,251,101

Tangible Capital Assets	2023	2022	Change
The total addition to capital infrastructure, buildings and equipment is approximately \$71.7M which was offset by \$26.4M in depreciation. Additions included were for roads, buildings and improvements and vehicles, machinery and equipment with more detail information provided in note 9 of the Financial Statements.	\$ 991,647,994	\$ 944,980,006	\$ 46,667,988

Accumulated Surplus	2023	2022	Change
The accumulated surplus reported in the financial statements is often thought to be money on hand; however, this is not the case. The majority of the balance is the value of assets that have been acquired or built. There is a portion where money is invested in reserve funds, but these funds are set aside for very specific uses and cannot be accessed to pay for operations. The breakdown is shown below.	\$ 1,171,661,122	\$ 1,118,755,433	\$ 52,905,689

Accumulated Surplus detail:

Tangible Capital Assets	\$ 924,158,224
Reserve Funds	144,517,171
Capital Funds	67,399,566
Net Operating Funds	18,567,149
Restricted Funds	17,019,012
	<u>\$ 1,171,661,122</u>



Statement of Operations and Accumulated Surplus

This table describes the difference between the annual surplus shown in the financial statements and the operating surplus which reflects the results of actual revenue and expenditures that relate to the annual budget.

2023 Annual Surplus as per Financial Statements (page 8) **\$ 52,905,689**

Remove Reserve Funds Transactions

Fund Revenues (Investment Income, Grants, Developer Contributions)	\$ (11,511,420)	
Net Transfers to/from Reserve Fund Established in the Budget	(28,585,047)	(40,096,467)

Remove Capital Fund Transactions

Fund Revenues (Grants, Developer Contribution, Asset Disposals)	(15,341,913)	
Capital Expenses (Not Capitalized as an Asset)	14,080,613	
Amortization Expense (Non-Cash)	26,449,006	
Accretion Expense (Non-Cash, Asset Retirement Obligations)	345,139	
Net Transfers to/from Capital Fund Established in Budget	(36,455,488)	(10,922,643)

Add Back

Funds Set Aside for Commitments, One-Time Resource Requests	5,902,740	
Change in Accrued Employee Benefits	283,581	6,186,321

2023 Operating Surplus **\$ 8,072,900**