



Notice of Meeting and Meeting Agenda Finance Committee

Wednesday, May 3, 2023

9:30 AM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

S. Brice (Chair), P. Jones (Vice Chair), P. Brent, C. Coleman, S. Goodmanson, D. Kobayashi, M. Little, K. Williams, R. Windsor, C. Plant (Board Chair, ex-officio)

The Capital Regional District strives to be a place where inclusion is paramount and all people are treated with dignity. We pledge to make our meetings a place where all feel welcome and respected.

1. Territorial Acknowledgement

2. Approval of Agenda

3. Adoption of Minutes

3.1. [23-278](#) Minutes of the March 1, 2023 Finance Committee Meeting

Recommendation: That the minutes of the Finance Committee meeting of March 1, 2023 be adopted as circulated.

Attachments: [Minutes - March 1, 2023](#)

4. Chair's Remarks

5. Presentations/Delegations

The public are welcome to attend CRD Board meetings in-person.

Delegations will have the option to participate electronically. Please complete the online application at www.crd.bc.ca/address no later than 4:30 pm two days before the meeting and staff will respond with details.

Alternatively, you may email your comments on an agenda item to the CRD Board at crdboard@crd.bc.ca.

5.1. [23-336](#) Presentation: Lenora Lee, KPMG re CRD 2022 Audit Findings Report

6. Committee Business

- 6.1. [23-171](#) Capital Regional District 2022 Audit Findings Report and Statement of Financial Information
- Recommendation:** The Finance Committee recommends to the Capital Regional District Board:
That the Capital Regional District 2022 Statement of Financial Information be approved.
- Attachments:** [Staff Report: CRD 2022 Audit Findings Report and SOFI](#)
 [Presentation: 2022 Statement of Financial Information](#)
 [Appendix A: Statement of Financial Information](#)
 [Appendix B: 2022 Unaudited Financial Statements](#)
 [Appendix C: Other Financial Statement Analysis](#)
 [Appendix D: DBRS Rating Methodology](#)
 [Appendix E: Additional Financial Analysis](#)
 [Appendix F: Audit Findings Report](#)
 [Appendix G: Management Letter](#)
- 6.2. [23-096](#) Scope of the Financial Statement Audit
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: Scope of the Financial Stmt Audit](#)
- 6.3. [23-169](#) Capital Regional District External Grants Update
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: CRD External Grants Update](#)
 [Appendix A: 2023 External Grants Dashboard](#)
 [Appendix B: 2023 Grant Alerts](#)
- 6.4. [23-190](#) Capital Regional District External Grants 2022 Annual Report
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: CRD External Grants Annual Report 2022](#)
 [Appendix A: CRD External Grants Activity 2022](#)
 [Appendix B: Safe Restart Funding Local Govs.](#)
 [Appendix C: Update on the Status of Grant Funded Projects](#)
 [Appendix D: Grant Alignment with Community Needs](#)

- 6.5.** [23-168](#) 2024 Service and Financial Planning Guidelines
- Recommendation:** The Finance Committee recommends to the Capital Regional District Board:
That the service and financial planning guidelines as presented be approved and that staff be directed to prepare the draft financial plan review based on the timeline presented.
- Attachments:** [Staff Report: 2024 Service & Financial Planning Guidelines](#)
[Appendix A: CRD Corporate Planning Framework](#)
[Appendix B: 2024 CRD Financial Planning Timetable](#)
- 6.6.** [23-185](#) Operating Reserve Guidelines
- Recommendation:** There is no recommendation. This report is for information only.
- Attachments:** [Staff Report: Operating Reserve Guidelines](#)
[Appendix A: CRD Operating Reserve Guidelines](#)
[Appendix B: 2022 Analysis Including ERM](#)
[Appendix C: 2022 Analysis Excluding ERM](#)
- 6.7.** [23-200](#) 2023 Federal Budget Highlights - Verbal Update
- Recommendation:** There is no recommendation. The verbal update is for information only.
- 6.8.** [23-248](#) Bylaw No. 4547: Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023
- Recommendation:** The Finance Committee recommends to the Capital Regional District Board:
1. That Bylaw No. 4547, "Saanich Peninsula Recreation Service (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023", be introduced and read a first, second and third time;
2. That approval on behalf of the participating areas for Bylaw No. 4547 be obtained through the municipal consent process, according to sections 346 of the Local Government Act, and if successful, that Bylaw No. 4547 be referred to the Inspector of Municipalities for approval.
- Attachments:** [Staff Report: Bylaw No. 4547 Saan Pen Rec Svcs Loan Auth Bylaw](#)
[Appendix A: Bylaw No. 4547](#)
- 6.9.** [23-249](#) Bylaw No. 4546: Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023
- Recommendation:** The Finance Committee recommends to the Capital Regional District Board:
1. That Bylaw No. 4546, "Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023", be introduced and read a first, second and third time;
2. That approval on behalf of the participating areas for Bylaw No. 4546 be obtained through the municipal consent process, according to section 346 of the Local Government Act, and if successful, that Bylaw No. 4546 be referred to the Inspector of Municipalities for approval.
- Attachments:** [Staff Report: Bylaw No.4546 Saan Pen Rec Svcs Loan Auth Bylaw](#)
[Appendix A: Bylaw No. 4546](#)

7. Notice(s) of Motion

8. New Business

9. Adjournment

The next meeting is July 5, 2023.

To ensure quorum, please advise Jessica Dorman (jdorman@crd.bc.ca) if you or your alternate cannot attend.

Meeting Minutes

Finance Committee

Wednesday, March 1, 2023

9:30 AM

6th Floor Boardroom
625 Fisgard St.
Victoria, BC V8W 1R7

PRESENT

Directors: S. Brice (Chair), P. Jones (Vice Chair), P. Brent, C. Coleman, D. Kobayashi, M. Little, K. Williams (EP), R. Windsor, C. Plant (Board Chair, ex-officio) (EP)

Staff: T. Robbins, Chief Administrative Officer; N. Chan, Chief Financial Officer; R. Lachance, Senior Manager, Financial Services; M. Lagoa, Deputy Corporate Officer; J. Dorman, Committee Clerk (Recorder)

EP - Electronic Participation

Regrets: Director S. Goodmanson

The meeting was called to order at 9:30 am.

1. Territorial Acknowledgement

Chair Brice provided a Territorial Acknowledgement.

2. Approval of Agenda

MOVED by Director Windsor, **SECONDED** by Director Brent,
That the agenda for the March 1, 2023 Finance Committee meeting be approved.
CARRIED

3. Adoption of Minutes

3.1. [23-179](#) Minutes of the January 4, 2023 Finance Committee Meeting

MOVED by Director Kobayashi, **SECONDED** by Director Little,
That the minutes of the Finance Committee meeting of January 4, 2023 be
adopted as circulated.
CARRIED

4. Chair's Remarks

Chair Brice spoke about the Provincial Budget and potential implications it could have on the region.

5. Presentations/Delegations

There were no presentations or delegations.

6. Committee Business

6.1. [23-077](#) Capital Regional District External Grants Update

N. Chan presented Item 6.1. for information.

Discussion ensued on the grant analysis process and program.

6.2. [23-078](#) Capital Regional District Investment Portfolio Holdings and Annual Performance Update

N. Chan presented Item 6.2. for information.

Discussion ensued on the following:

- Municipal Finance Authority (MFA) investment fund report
- Diversified Multi-Asset Class (DMAC) fund, benchmark and long range projection
- investment policy and market fluctuation
- short-term versus long-term investments
- investment constraints within legislation
- inviting Peter Urbanc, MFA, to present to Committee

6.3. [23-092](#) Bylaw No. 4533 Temporary Borrowing (Solid Waste Facilities and Site Improvements) Bylaw No. 1, 2023

N. Chan spoke to Item 6.3.

MOVED by Director Windsor, SECONDED by Director Brent,

1. That Bylaw No. 4533, "Temporary Borrowing (Solid Waste Facilities and Site Improvements) Bylaw No. 1, 2023", be introduced and read a first, second and third time; and

2. That Bylaw No. 4533 be adopted.

CARRIED

6.4. [23-096](#) Scope of the Financial Statement Audit

MOVED by Director Coleman, SECONDED by Director Kobayashi,

That Item 6.4. be postponed to the next meeting of the Finance Committee.

CARRIED

7. Notice(s) of Motion

There were no notice(s) of motion.

8. New Business

There was no new business.

9. Adjournment

MOVED by Director Little, **SECONDED** by Director Kobayashi,
That the March 1, 2023 Finance Committee meeting be adjourned at 9:55 am.
CARRIED

CHAIR

RECORDER



Making a difference...together

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT **Capital Regional District 2022 Audit Findings Report and Statement of Financial Information**

ISSUE SUMMARY

To approve the Capital Regional District (CRD) 2022 Statement of Financial Information (SOFI) and receive the 2022 Audit Findings Report for information.

BACKGROUND

The *Local Government Act* and the *Community Charter* require local governments to prepare financial statements each calendar year in accordance with Generally Accepted Accounting Principles and Canadian Public Sector Accounting Board (PSAB) standards. In addition, the statements must be independently qualified by an auditor.

The financial statements, along with the annual filing of the Local Government Data Entry (LGDE) form, must be submitted to the Inspector of Municipalities and available for public viewing by May 15. The Consolidated Statement of Financial Information and the annual report must be completed by June 30 annually.

With the annual audit complete, and in alignment with PSAB regulations, management has prepared the required five statements with explanatory notes:

1. Consolidated Statement of Financial Position
2. Consolidated Statement of Operations
3. Consolidated Statement of Change in Net Debt
4. Consolidated Statement of Remeasurement Gains and Losses
5. Consolidated Statement of Cash Flows

In addition, the Statements of Financial Information (Appendix A) includes:

1. Schedule of Remuneration and Expenses – Employees
2. Schedule of Remuneration and Expenses – Directors and Alternate Directors
3. Schedule of Remuneration and Expenses – Committee and Commission Members
4. Statement of Severance Agreements
5. Schedule of Payments to Suppliers for Goods and Services
6. Schedule of Guarantee and Indemnity Agreements

To complete the financial package the following appendices are also included:

Appendix B - Unaudited statements that present long-term debt, reserves and financial statements for each service

Appendix C - Analysis of the Consolidated Statement of Change in Net Debt, Consolidated Statement of Remeasurement Gains and Losses and Consolidated Statement of Cash Flows

Appendix D - Canadian Municipal Governments Credit Rating Methodology

Appendix E - Financial indicator analysis on the 2022 CRD results

Appendix F - The 2022 Audit Findings Report from KPMG

The Audit Findings Report summarizes responsibilities of the auditor, scope of work and audit results. The report also confirms there were no significant changes in the audit approach from the Audit Planning Report presented to the Board on January 11, 2023, and the audit findings confirm the financial statements present fairly, in all material respects, the financial position of CRD as at December 31, 2022.

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

That the Capital Regional District 2022 Statement of Financial Information be approved.

Alternative 2

That the Capital Regional District 2022 Statement of Financial Information be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

Audit Findings Report

The Auditor's opinion is included as part of the Independent Auditors' Report within the financial statements (Appendix A).

The Audit Findings report (Appendix F) provides the results of their audit, and further discusses areas of focus identified in the Audit Planning Report presented to Board on January 11, 2023. Also included in the report is a summary of uncorrected adjustments on page 9. Adjustments made during the course of audit field work are a result of both findings by management and KPMG through various reconciliation and testing activities.

Adjustments may remain uncorrected when an element of uncertainty exists and/or the adjustment has a material impact on accounting activities in a defined period but not considered to have an impact on decision making. All uncorrected adjustments are below the materiality threshold determined by the auditor. KPMG concurs with management's assessment of year-end adjustments.

Financial Statements

The Consolidated Statement of Financial Position and the Consolidated Statement of Operations form the basis of the audited financial statements and are similar to the Balance Sheet and Income Statement in private organizations.

The Capital Region Housing Corporation (CRHC) financials are consolidated in the CRD financial statements, as required by PSAB Standards.

HIGHLIGHTS

1. Consolidated Statement of Financial Position

The Statement of Financial Position highlights the following four key elements that together describe the financial status of the organization:

- a. Financial Assets and Liabilities (cash resources and obligations)
- b. Net Debt Position (calculated as the difference between financial assets and liabilities)
- c. Non-Financial assets that are held for service provision (such as tangible capital assets) and
- d. The accumulated surplus (referred to as equity in private organizations)

Financial Assets

Financial assets are non-physical assets whose value is derived from a contractual claim. The financial assets as of year-end consist of cash, investments, accounts receivable and debt recoverable from member municipalities. Total financial assets were \$606.3 million as of year-end, an increase of \$3.3 million or 1% from prior year. Table 1 summarizes financial assets as of December 31 with comparative changes year over year:

Table 1 – Change in Financial Assets Year over Year (\$ millions)

Description	2022	2021	\$ Change	% Change
Cash and Cash Equivalents	56.6	144.1	(87.5)	(61%)
Investments	344.4	213.5	130.9	61%
Accounts Receivable	24.8	55.8	(31.0)	(56%)
Member and Third-Party Debt	176.4	185.5	(9.1)	(5%)
Municipal Finance Authority (MFA) Debt Reserve Fund	4.1	4.1	0.0	0%
Total Assets	\$606.3	\$603.0	\$3.3	1%

Cash and cash equivalents include cash on hand and bank deposits. The balance decreased in 2022 by (\$87.5) million primarily as more funds held in investments with market interest rates on investments higher than those on deposits. Further detail on changes in cash are discussed in Appendix C: Other Financial Statement Analysis, under Consolidated Statement of Cash Flows.

Investments include short-term holdings of \$96.7 million and long-term holdings of \$247.7 million. The increase in investments of \$130.9 million over 2021 is the result of higher levels of cash held

in reserve for future use and higher levels of cash held to fund operations as a result of higher short-term rates of return on investments over cash deposits.

Accounts receivables are due through the normal course of business. The balance at year-end will vary as a result of the timing of invoicing and payments. The decrease of (\$31.0) million, or 56% from prior year, was due to a 2021 federal grant for \$35.8 million relating to the Residuals Treatment Facility that was collected during the year, offset by a \$2.5 million increase in accrued Guaranteed Investment Certificate (GIC) and term deposit interest receivable and a \$1.2 million increase in construction holdback receivable for grants relating to the construction of affordable housing projects.

In the financial statements, debt recoverable from member municipalities and other entities represents the amount due from third parties to the CRD for debt borrowed through MFA on their behalf. Payments received are in turn owed to the MFA, so a liability equal to the receivable is also recorded, the two offset for no impact on CRD's net debt position. Member municipalities and other entities debt decreased by (\$9.1) million or 5%, consisting of \$5.4 million in new borrowing offset by (\$14.5) million of repayments.

The debt reserve fund is the amount held by the MFA as security for debt obligations issued to the district. These amounts are refundable, with interest upon debenture maturity. Cash deposits of \$4.1 million (excluding member municipalities) are presented as a receivable on the financial statements. This balance changes in alignment with debt issues and maturities.

Liabilities

Liabilities are obligations or debt that will be settled through financial assets. These obligations represent the costs for goods and services consumed and owed by the CRD. Liabilities are used to finance operations and capital construction or acquisitions. As of December 31, 2022, liabilities totaled \$681.6 million, a decrease of (\$20.4) million or 3% from prior year. Table 2 provides balances and year over year changes:

Table 2 – Change in Liabilities Year over Year (\$ millions)

Description	2022	2021	\$ Change	% Change
Accounts Payable and Accrued Liabilities	37.4	31.0	6.4	21%
Deferred Revenue	48.1	49.0	(0.9)	(2%)
Short-Term Debt	23.0	25.7	(2.7)	(11%)
Long-Term Debt	559.0	582.9	(23.9)	(4%)
Landfill Closure and Post-Closure Liability	12.7	11.9	0.8	7%
Other Liabilities	1.4	1.5	(0.1)	(7%)
Total Liabilities	\$681.6	\$702.0	(\$20.4)	(3%)

Accounts payable increased by \$6.4 million or 21% compared to 2021. This can be attributed to a general increase in operating expenses of 12%, \$0.8 million for the Hartland biogas upgrading facility, a \$0.5 million Wastewater Treatment Plant (WTP) performance incentive payment relating to the facility operating as guaranteed by the builder over the performance period and a \$2.0 million increase in CRHC construction payables relating to the Michigan Square and Caledonia

projects. Trade payables fluctuate year over year based on operational needs and timing of vendor invoicing.

The decrease in deferred revenue of (\$0.9) million is primarily due to the recognition of (\$1.6) million of deferred revenue relating to the construction of the Rocky Point Water System.

Short-term debt details are disclosed in Note 4 to the financial statements. In 2022 the balance decreased by (\$2.7) million. This was due to \$26.5 million of new borrowing of which \$21.0 million was for construction financing relating to the Michigan Square and Twenty-Seven Eighty-Two housing projects. The new borrowing was offset by a (\$13.0) million net repayment of short-term debt relating to managing the timing of significant WTP cash flows, (\$9.0) million converted to long-term debt and a (\$2.2) million forgivable loan relating to the Caledonia housing project.

Long-term debt includes balances for CRD, CRHC and member municipalities, details are disclosed in Note 5 of the financial statements. Of the \$559.0 million in long-term debt, the CRD and CRHC portion is \$382.6 million, a decrease of (\$20.8) million or 5%. The decrease is primarily driven by principal debt repayments and sinking fund earnings of (\$30.2) million offset by new borrowing of \$9.4 million. New borrowing consisted of a CRHC mortgage of \$4.5 million for Michigan Square, \$3.0 million in transfers from short-term debt, \$1.0 million sewer capital for Magic Lake Estates and \$0.5 million for regional parks. The remaining \$176.4 million is debt borrowed on behalf of member municipalities and other entities which decreased by (\$3.1) million in the year.

Landfill closure and post-closure liability increased by \$0.8 million, representing an additional year of capacity usage.

Non-Financial Assets

Non-financial assets are resources held for service delivery over one or more future periods. Examples include tangible capital assets, inventories of supplies and prepaid portions of land leases. Table 3 lists balances of non-financial assets and changes from the previous year:

Table 3 – Change in Non-Financial Assets Year over Year (\$ millions)

Description	2022	2021	\$ Change	% Change
Tangible Capital Assets	1,987.9	1,949.4	38.5	2%
Other Non-Financial Assets	3.6	3.4	0.2	6%
Total Non-Financial Assets	\$1,991.5	\$1,952.8	\$38.7	2%

Non-financial assets increased by \$38.7 million to \$1.99 billion in 2022. This was mainly driven by an increase in tangible capital assets of \$38.5 million where acquisition and contributions were valued at \$101.8 million offset by (\$61.3) million in amortization and (\$1.9) million in disposals.

Significant asset acquisition or contributions include:

- \$34.0 million for affordable housing projects such as Twenty-Seven Eighty-Two building, Michigan Square Redevelopment and Caledonia Redevelopment affordable housing projects
- \$4.7 million Rocky Point Water Systems project

Accumulated Surplus

The accumulated surplus or net book value of equity for the CRD is \$1.92 billion, where the organization has assets (financial and non-financial) of greater value than what it owes (liabilities). Table 4 below summarizes accumulated surplus by category.

Table 4 – Accumulated Surplus Categories (\$ millions)

Description	2022	2021
Equity Invested in Tangible Capital Assets	1,582.4	1,526.4
Capital and Operating Reserves	174.5	170.3
Net Operating Funds	165.9	158.2
2022 Accumulated Surplus	\$1,922.8	\$1,854.9

2022 CRD net operating funds of \$165.9 million represents 8.6% of accumulated surplus. The remaining 91.4% of accumulated surplus is equity invested in tangible capital assets (\$1,582.4 million) and capital and operating reserves (\$174.5 million). All balances have increased over the prior year reflecting equity growth in line with growth of the organization to meet community needs. Equity along with appropriate levels of debt is key to funding sustainable service delivery.

Operating Reserve Funds enable each service area to set aside funds to mitigate fluctuations in revenue driven by cyclical expenditures, unforeseen expenses and special one-time operating projects. Capital Reserve Funds accumulate resources for future capital expenditures. Periodically, services transfer either budgeted or operating surplus funds to their respective capital reserve. Reserve health directly correlates to the resiliency of a service to maintain services levels overtime while withstanding challenges.

2. Consolidated Statement of Operations

The Statement of Operations identifies results of financial activities for the fiscal year by presenting revenues less expenses on an accrual basis. Under accrual accounting and the matching principle, the CRD records economic events regardless of when cash is actually received or used, with the objective of matching period revenues with incurred costs.

As required by PSAB reporting standards, the budget authorized by bylaw is included on the Statement of Operations and has been adjusted to exclude reserve transfers and principal repayment to better align budget to actual revenue and expense. Note 15 to the financial statements provides more information about budget data within the financial statements.

Other differences from budget exist where accounting standards require recognition of transactions different than legislative requirements of budget. Budget is established to determine revenue requirements and set expenditure authority, differences such as labour allocations, inter-service recoveries, grant revenue, deferred revenue, donations and amortization expense are all differences that exist or are not reflected in budget.

Revenue

2022 Revenue was \$327.2 million, a decrease of (\$77.7) million or (19%). Revenue totals by type and changes from the previous year are summarized in Table 5.

Table 5 – Change in Revenue Year over Year (\$ millions)

Description	2022	2021	\$ Change	% Change
Government Transfers	174.2	258.4	(84.2)	(33%)
Sale of Services	92.1	87.8	4.3	5%
Affordable Housing – Rental Income	22.5	19.4	3.1	16%
Other Revenue	17.1	21.6	(4.5)	(21%)
Investment Income	8.8	4.5	4.3	96%
Actuarial Adjustment of Long-Term Debt	5.8	5.5	0.3	5%
Grants in Lieu of Taxes	4.0	3.6	0.4	11%
Developer Contributions	2.7	4.1	(1.4)	(34%)
Total Revenue	\$327.2	\$404.9	\$(77.7)	(19%)

Primary drivers for changes in revenue are:

- Government transfers decreased by (\$84.2) million. This was largely due to receiving large one-time (\$97.8) million federal and provincial grants for the construction of the WTP and Residuals Treatment Facility in 2021. This is offset by an increase of \$10.6 million in provincial housing grants received in 2022 for the construction of affordable housing.
- \$4.3 million increase in sale of services due to a \$2.1 million increase in Hartland landfill revenue, a \$1.1 million increase in recreation center revenue and a \$0.7 million increase in water sales due to higher demand for services year over year.
- \$3.1 million increase in affordable housing revenue was due to a full year of occupancy in the new West Park and Hockley House buildings.
- (\$4.5) million decrease in other revenues due to a decrease of (\$3.7) million in revenues for donated assets.
- \$4.3 million increase in interest earnings due to increased interest rates resulting in favourable returns from term deposits and GICs through 2022.
- \$0.3 million increase in actuarial adjustment of long-term debt also due to interest rate increases. The actuarial adjustment of long-term debt is the estimated return on the invested balance of MFA principal repayments.
- \$0.4 million increase in grants in lieu of taxes is a result of an increase in federal payments in lieu of taxes.
- (\$1.4) million decrease in revenue recognized relating to developer contributions for water infrastructure assets and household water connections in the Juan de Fuca Water Distribution service.

Expenses

Expenses in 2022 increased by \$27.1 million or 12% to \$259.3 million. As shown in the segmented reporting, Note 20 in the consolidated financial statements, the change by expense type over the previous year is summarized in Table 6:

Table 6 – Change in Expenses Year over Year (\$ millions)

Description	2022	2021	\$ Change	% Change
Salaries, Wages and Benefits	83.2	74.5	8.7	12%
Contract for Services and Consultants	28.8	23.4	5.4	23%
Amortization of Tangible Capital Assets	61.3	58.5	2.8	5%
Interest on Debt	23.1	21.7	1.4	6%
Other Expenses	62.9	54.1	8.8	16%
Total Expenses	\$259.3	\$232.2	\$27.1	12%

Expense changes were driven by:

- \$8.7 million increase in salaries, wages and benefits related to contractual agreements within new collective agreement and an increase in staff resources.
- \$5.4 million increase in contract for services and consultants can be attributed to \$1.2 million relating to the optimization of operations at the WTP, \$1.4 million for the Rocky Point Water System project with the Department of National Defence and general inflationary cost pressures.
- \$2.8 million increase in amortization on tangible capital assets due to a full year of amortization for the Residuals Treatment Facility and other new asset additions for the year.
- \$1.4 million increase in interest on debt was driven by member municipality interest costs increasing by \$0.8 million and \$0.5 million due to a full calendar year of interest on the Residuals Treatment Facility debt.
- \$8.8 million increase in other expenses is driven by an increase of \$1.4 million in housing grants-in-aid payments, an increase of \$1.5 million in municipality debt principal repayments, a one-time non-cash accounting adjustments totalling \$2.1 million and general inflationary cost pressures.

2022 Annual Surplus

The net difference between revenues and expenses for 2022 is an annual surplus of \$67.9 million. Summarized in Table 7 on the next page are the change in accumulated surplus as a result.

Table 7 – Surplus Reconciliation (\$ millions)

Description	2022	2021
Increase in Capital Equity	56.0	85.3
Increase in Capital and Operating Reserves	4.2	28.9
Increase in Operating Funds	7.7	58.5
2022 Annual Surplus	\$67.9	\$172.7

The surplus of \$67.9 million is lower than the 2021 surplus of \$172.7 million, by (\$104.1) million or (60%). The change is primarily attributable to lower grant revenue due to significant one-time grants received in 2021 for the WTP.

The increase in equity, reserves and operating funds represent the intended use of surplus to fund future capital, reserves and annual operating costs.

3. Other Financial Statement Analysis

Summaries and analysis of the remaining three statements can be found in Appendix C:

- Statement of Changes in Net Debt
- Statement of Remeasurement Gains and Losses
- Statement of Cash Flows

Financial Indicators

As in prior years, the consolidated financial health of the organization is monitored and reported through financial indicators (Appendix E). These measures demonstrate a consistent, healthy financial position based on operational needs, market conditions and debt servicing costs.

Emerging Accounting Issues

Asset Retirement Obligations

As identified in Appendix 4 and page 24 of the Audit Findings Report (Appendix F), the upcoming asset retirement obligation change is a significant accounting standard that will take effect for the year ending December 31, 2023. The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets. It will require the CRD to record a liability in the financial statements related to future costs of any legal obligations to be incurred upon retirement of controlled tangible capital assets. Inventory and valuation work is currently underway for next year, early work suggests there will be a significant adjustment to both the liabilities and assets of the organization.

In particular, it is expected the introduction of the new accounting standards for asset retirement obligations will result in a significant revaluation of the landfill liability and recognition of all closure and post-closure costs. The standard will require the entire post-closure liability to be recorded upfront rather than over time as is currently done. The change in standard does not address or direct how the liability will be funded.

As staff prepare to implement the standard across all services, scope, timing and financial implications will be reported to the Board through Committee.

Public Private Partnerships

As identified on page 8 of the Audit Findings Report (Appendix F), PSAB has developed a new accounting standard PS 3160 *Public Private Partnerships* that provides requirements for recognizing, measuring and classifying infrastructure procured through a public private partnership (P3). The standard is effective for the year ending December 31, 2024, with an option to early adopt.

The Residuals Treatment Facility P3 agreement is within scope of PS 3160. The CRD has elected to adopt the standard early and has applied it retroactively as disclosed in Note 2 of the consolidated financial statements (Appendix A). No prior period adjustments were required in adopting the standard.

CONCLUSION

Board approval of the CRD 2022 Statement of Financial Information is required under the *Local Government Act, Community Charter and Financial Information Act*. As noted in the Audit Findings Report, it is the auditor’s opinion that these financial statements present fairly the consolidated financial position of the CRD as of December 31, 2022 and the results of financial activities for the year then ended in accordance with Canadian Public Sector Accounting Standards.

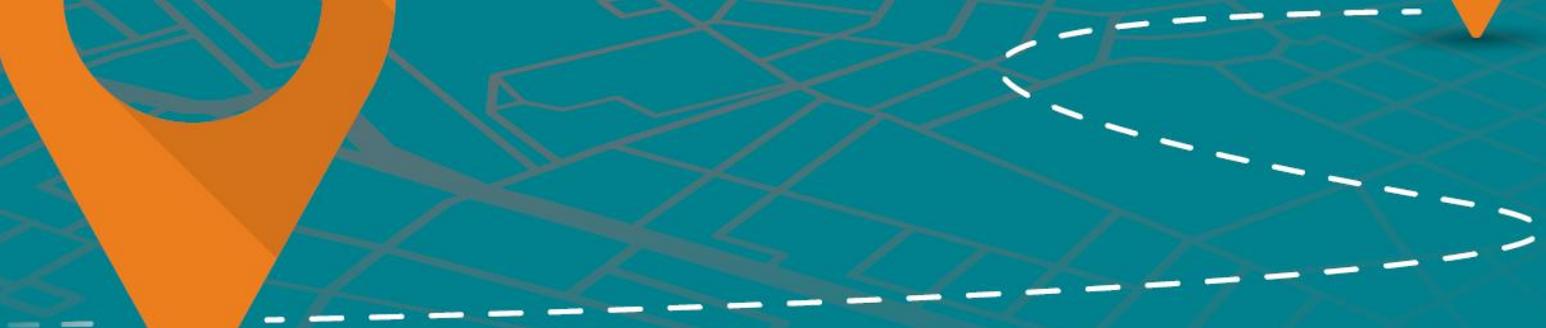
RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:
 That the Capital Regional District 2022 Statement of Financial Information be approved.

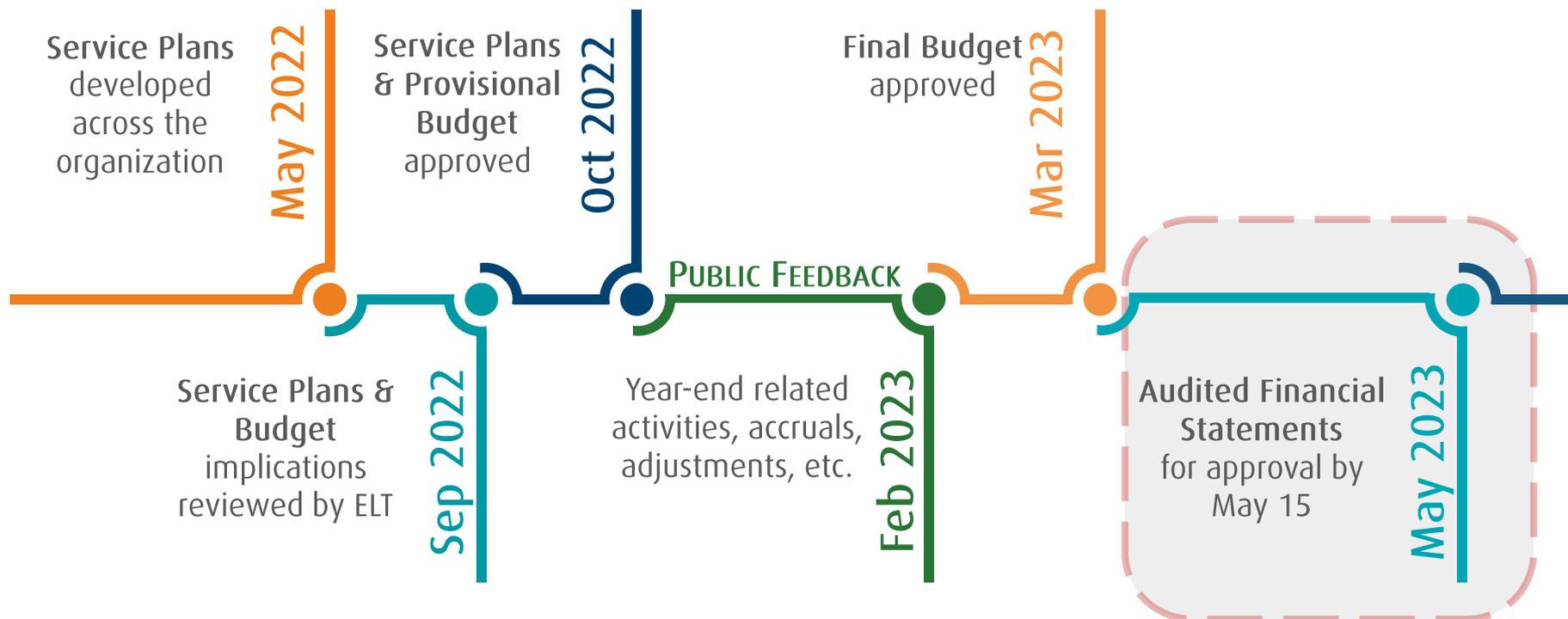
Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Presentation: 2022 Statement of Financial Information
- Appendix A: 2022 Statement of Financial Information
- Appendix B: 2022 Unaudited Financial Statements
- Appendix C: Other Financial Statement Analysis
- Appendix D: DBRS Rating Methodology
- Appendix E: Additional Financial Analysis
- Appendix F: Audit Findings Report
- Appendix G: Management Letter



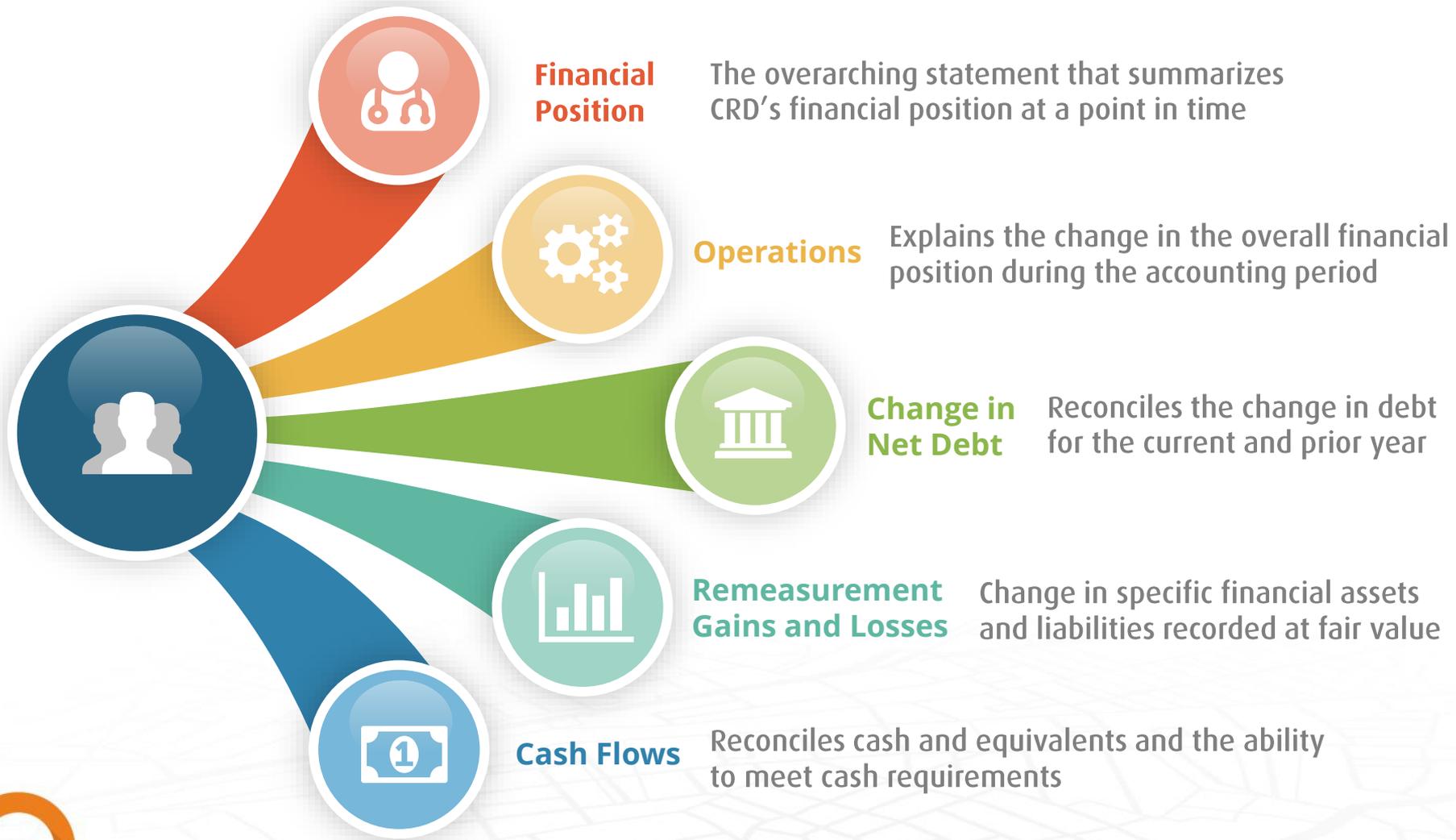
Capital Regional District > 2022 Statement of Financial Information
Presentation to the Finance Committee
Wednesday May 3, 2023



CRD Audited Financial Statements

- Legislation requires statements be approved and submitted to the Ministry of Municipal Affairs and Housing by May 15
- Financial Statements are prepared on an accrual basis (as required by PSAB)
- Consolidated statements include all CRD services and CRHC

What are the 5 Required Financial Statements?



Statement of Financial Position	2022	2021
Financial Assets		
Cash & Cash Equivalents	XXX	XXX
Other Assets	XXX	XXX
	XXX	XXX
Financial Liabilities		
Accounts Payable	XXX	XXX
Other Liabilities	XXX	XXX
	XXX	XXX
Net Financial Assets (Debt)	XXX	XXX
Non-Financial Assets		
Tangible Capital Assets	XXX	XXX
Other Non-Financial Assets	XXX	XXX
	XXX	XXX
Accumulated Surplus is comprised of;		
Accumulated Operating Surplus	XXX	XXX
Accumulated Remeasurement Gains/Losses	XXX	XXX

Explaining Changes in Financial Position

Statement of Cash Flow	2022	2021
Operating Transactions	X	X
Capital Transactions	X	X
Investing Transactions	X	X
Financing Transactions	X	X
	X	X
Cash & Equivalents at Beginning of Year	X	X
Cash & Equivalents at End of Year	X	X

Statement of Net Debt	2022	2021
Annual Surplus	X	X
Acquisition of Tangible Capital Assets	X	X
	X	X
Net Debt at Beginning of Year	X	X
Net Debt at End of Year	X	X

Statement of Operations	2022	2021
Revenue	X	X
Expenses	X	X
	X	X
Accumulated Surplus Beginning of Year	X	X
Accumulated Surplus End of Year	X	X

Statement of Remeasurement Gains	2022	2021
Accumulated Remeasurement Opening	X	X
Net Remeasurement Gains (Losses)	X	X
Accumulated Remeasurement Close	X	X





1 Delivering Services

In 2022, the Capital Regional District continued focus on supporting Regional Priorities identified in the Corporate and Strategic Plan



2 Investments for the Future

Capital investments were 2x the rate of depreciation
The CRD manages nearly \$2B in assets in support of service delivery



3 Managing Cost of Debt

11% of total revenue was used to service long-term debt
The generally accepted upper benchmark from lending authorities is 25%



4 Diversified Revenue

44% of total revenue was acquired through sale of services, 8% was through government grants, and less than 25% through requisition





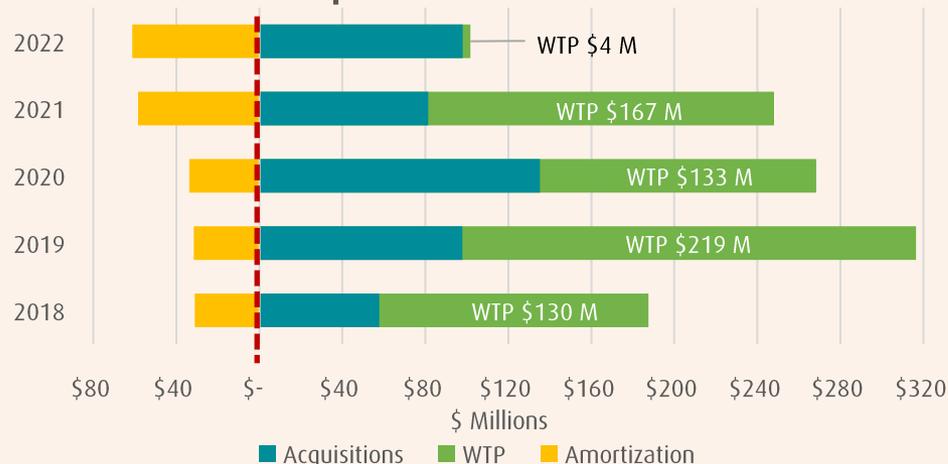
Investments made for the Future

2022 capital investment was 1.7x the rate of depreciation

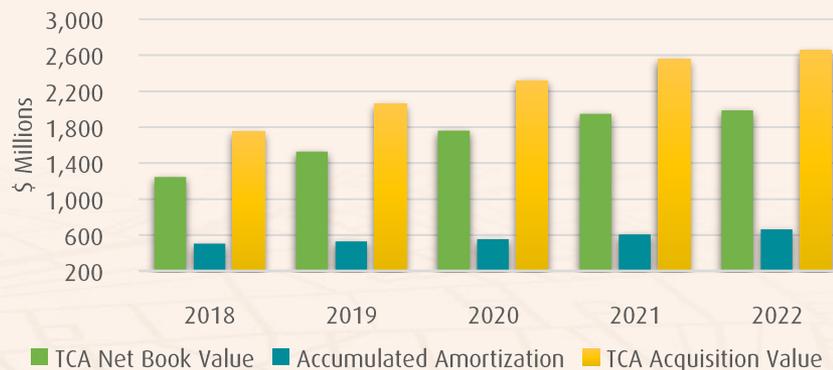
2022 net book value of tangible capital assets is \$2.0 billion

The 2023-2027 5 year financial plan includes TCA additions of \$714 million

Capital Investment vs. Amortization



Tangible Capital Asset





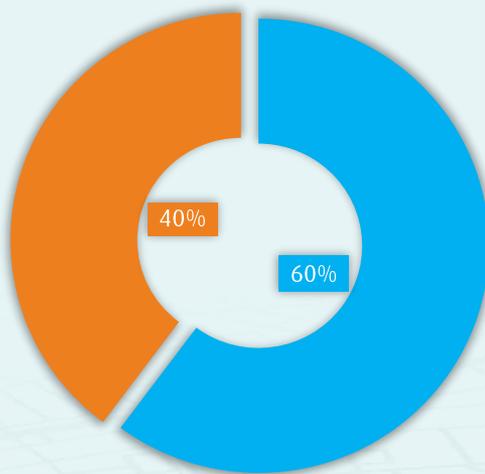
Managing the Cost of Debt

10.5% of total revenue was spent on long-term debt payments

In 2022, CRD debt on average has matured to where principal payments are 60% of debt servicing costs, while interest payments are 40%

Debt Service Costs to Total Revenue

generally accepted upper limit from lending authorities



Debt Servicing Costs

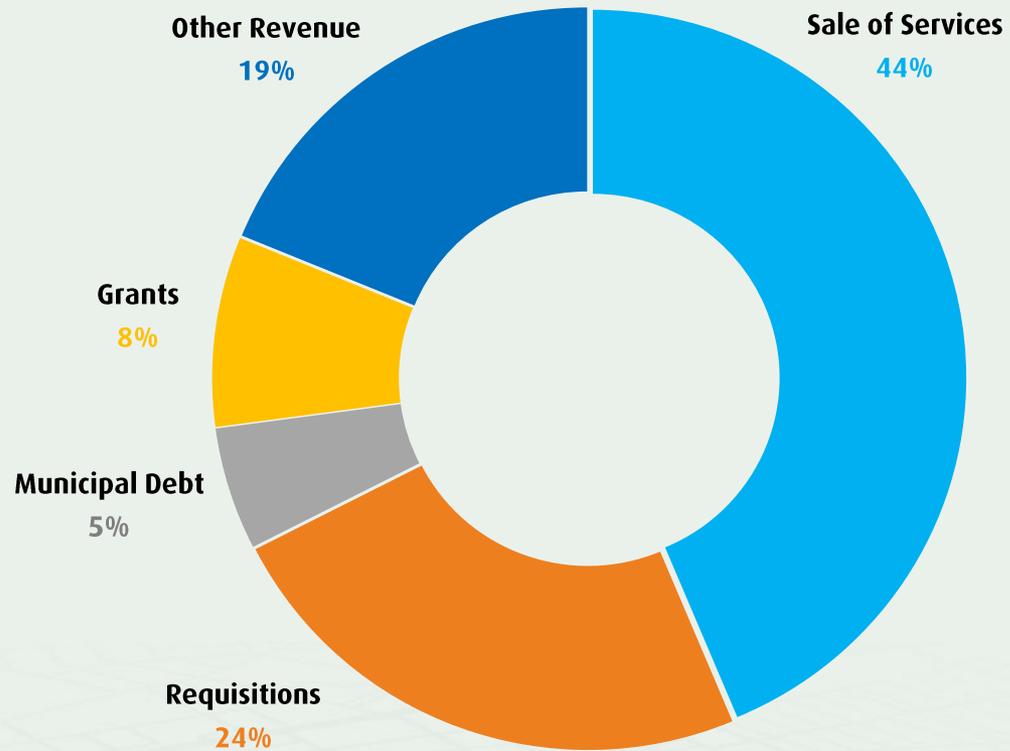
Principal Portion of Payment
Interest Portion of Payment



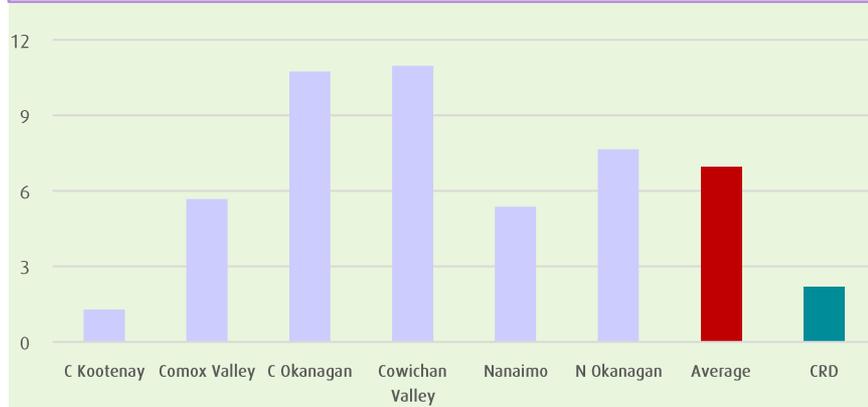
Diversifying Revenue Streams

Less than 25% of revenue raised was funded from requisition

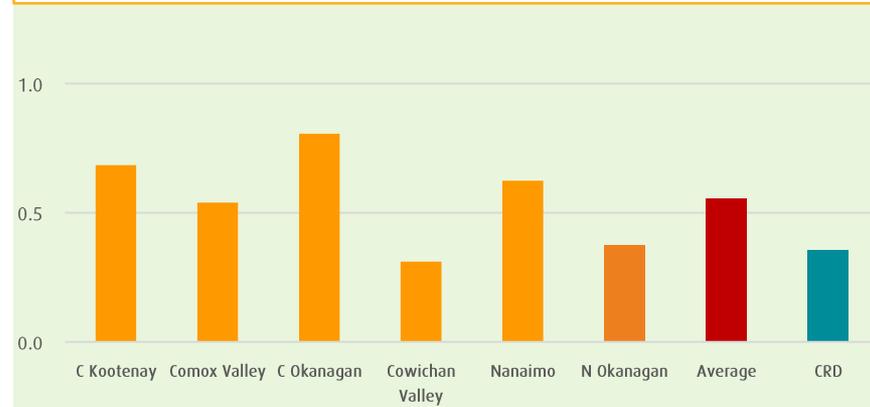
44% of revenue was raised through the sale of services and 8% came through various external granting programs



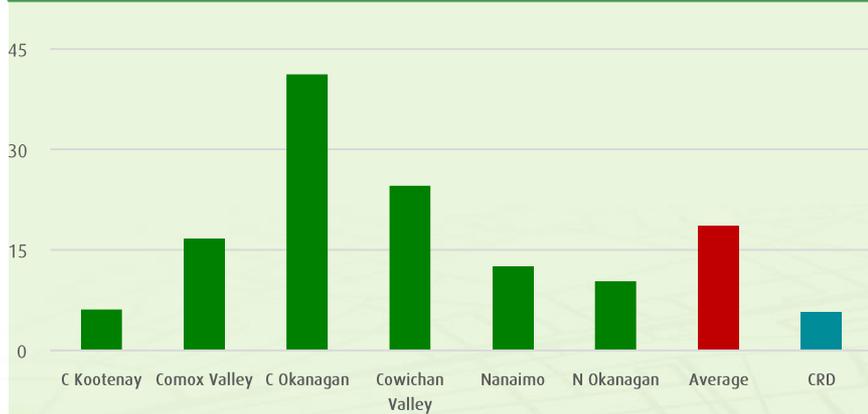
Quick Ratio: Measure of short-term liquidity or the ability to pay immediate financial obligations (greater than 1 is ideal)



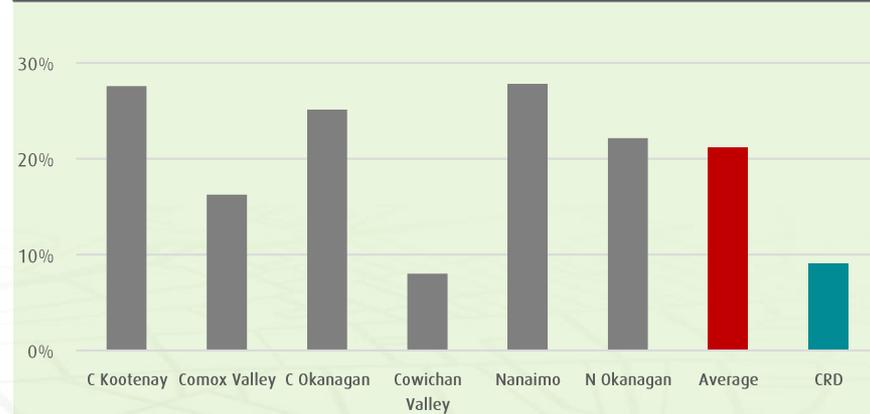
Debt-to-Equity Ratio: Measure of financial leverage, or using debt to increase value (essential public service utilities average 1.2)



Interest Coverage Ratio: Measures how easily a company can pay interest on outstanding debt (greater than 2 is ideal)



Capital Reserve Health: Measure of ability to finance long-term investment projects, also acts as buffer during financial hardship

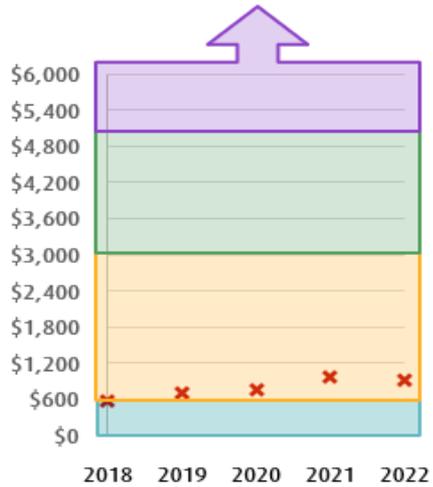


CRD from 2022 Audited Financial Statement, Source for Rest: Local Government Statistics 2021, by Ministry of Municipal Affairs and Housing, <https://www2.gov.bc.ca/gov/content/governments/local-governments/facts-framework/statistics/regional-district-general-financial-statistics>, March 2023. Excluded from comparison due to size of region (less than \$10M or greater than \$300M in costs); Central Coast, Metro Vancouver, Mount Waddington, North Coast, Peace River.

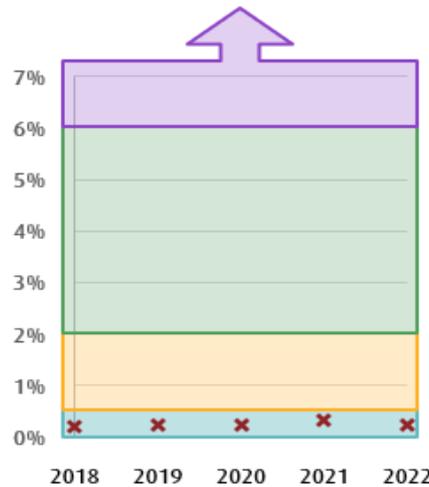




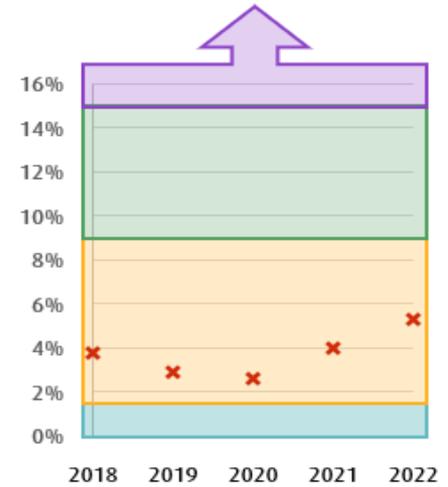
DBRS is the largest rating agency in Canada and fourth largest in the world. Using the rating methodology for municipal government, CRD results are shown below.



Net Tax-Supported Debt Per Capita



Net Tax-Supported Debt as a Percentage of Assessment



Interest Costs as a Percentage of Revenue

AAA

The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.

AA

The capacity for the payment of financial obligations is considered high. Differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.

A

The capacity for the payment of financial obligations is substantial. May be vulnerable to future events, but considered manageable.

BBB

Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

Rating Canadian Municipal Governments: Canadian Municipal Government Financial Risk Metrics, by DBRS (Dominion Bond Rating Service), May 2021

Capital Regional District 2022 Statement of Financial Information

British Columbia, Canada
Fiscal year ended December 31, 2022



Making a difference...together

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Making a difference...together

**Capital Regional District
Capital Region Housing Corporation**

STATEMENT OF FINANCIAL INFORMATION APPROVAL

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*.

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer
May 10, 2023

Colin Plant
Chair, CRD Board
On behalf of the Board of Directors
May 10, 2023

*Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9

DRAFT



KPMG LLP
St. Andrew's Square II
800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITOR'S REPORT

To the Chair and Directors of the Capital Regional District

Opinion

We have audited the consolidated financial statements of the Capital Regional District (the District), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net debt for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the District as at December 31, 2022, and its consolidated results of operations, its consolidated change in net debt, its consolidated remeasurement gains and losses, and its consolidated 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 District 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.



Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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 District'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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District'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 District'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 District'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 District 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants

Victoria, Canada
_____ 2023



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Capital Regional District Capital Region Housing Corporation

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 public sector accounting standards. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the 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.

The Board of Directors are responsible for approving the financial statements and for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The external auditor, KPMG LLP, conduct an independent examination, in accordance with Canadian public sector accounting 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 District's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditor has full and free access to staff and management. The Independent Auditor's Report outlines the scope of the audit for the year ended December 31, 2022.

On behalf of Capital Regional District and Capital Region Housing Corporation,

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer
May 10, 2023

* For municipalities, the officer assigned responsibility for financial administration signs

* Prepared pursuant to Financial Information Regulation, Schedule 1, Section 9

Consolidated Statement of Financial Position

As at December 31, 2022, with comparative information for 2021

	2022	2021
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 56,632,693	\$ 144,126,555
Investments (Note 3)	344,417,801	213,517,810
Accounts receivable	24,683,384	55,719,978
Debt recoverable: member municipalities and other entities (Note 5)	176,433,255	185,542,697
Restricted cash: MFA Debt Reserve Fund (Note 6)	4,095,849	4,130,157
	606,262,982	603,037,197
Liabilities		
Accounts payable and accrued liabilities	37,409,213	30,960,239
Deferred revenue (Note 7)	48,088,692	48,963,240
Short-term debt (Note 4)	22,957,445	25,661,025
Long-term debt (Note 5)	559,040,879	582,907,668
Landfill closure and post-closure liability (Note 8)	12,695,022	11,936,637
Other liabilities (Note 9)	1,405,838	1,571,396
	681,597,089	702,000,205
Net Debt	(75,334,107)	(98,963,008)
Non-financial Assets		
Tangible capital assets (Note 10)	1,987,929,841	1,949,398,153
Inventory of supplies	1,294,554	1,062,177
Prepaid expenses	2,262,629	2,331,038
	1,991,487,024	1,952,791,368
Accumulated Surplus	1,916,152,917	1,853,828,360
Accumulated Surplus consists of:		
Accumulated surplus (Note 11)	1,922,770,978	1,854,880,497
Net Remeasurement Gains (Losses)	(6,618,061)	(1,052,137)
Accumulated Surplus	\$ 1,916,152,917	\$ 1,853,828,360

Contractual obligations (Note 12)

Contractual rights (Note 13)

Contingencies (Note 14)

Subsequent events (Note 23)

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

Nelson Chan, MBA, FCPA, FCMA
Chief Financial Officer

Consolidated Statement of Operations

For the year ended December 31, 2022, with comparative information for 2021

	Budget (Note 15)	2022	2021 Recast (Note 22)
Revenue			
Government transfers (Note 16)	\$ 140,198,575	\$ 174,158,953	\$ 258,402,172
Sale of services	95,369,891	92,062,213	87,772,749
Affordable housing rental income	22,145,908	22,548,539	19,361,012
Other revenue	14,938,408	17,065,787	21,628,217
Investment income	620,204	8,832,047	4,498,405
Actuarial adjustment of long-term debt (Note 5a)	-	5,782,984	5,546,660
Grants in lieu of taxes	3,994,404	3,994,408	3,600,276
Developer contributions	-	2,740,207	4,135,620
Total Revenue	277,267,390	327,185,138	404,945,111
Expenses (Note 20)			
Sewer, water, and garbage services	101,995,774	136,019,902	125,249,907
Recreation and cultural services	31,081,821	34,386,206	29,190,339
General government services	28,571,001	28,885,743	23,420,515
Affordable housing rental expense	15,288,159	19,361,673	18,354,102
Debt payments: member municipalities & other entities (Note 5)	15,430,601	17,731,457	15,393,133
Protective services	10,642,730	11,823,227	11,069,164
Other	6,613,064	6,892,130	5,323,025
Planning and development services	4,750,471	2,897,945	2,852,825
Transportation services	822,230	938,479	901,586
Grants in aid	1,735,971	357,895	465,152
Total Expenses	216,931,822	259,294,657	232,219,748
Annual Surplus	60,335,568	67,890,481	172,725,363
Accumulated Surplus, beginning of year	1,854,880,497	1,854,880,497	1,682,155,134
Accumulated Surplus, end of year (Note 11)	\$ 1,915,216,065	\$ 1,922,770,978	\$ 1,854,880,497

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

Consolidated Statement of Change in Net Debt

For the year ended December 31, 2022, with comparative information for 2021

	Budget (Note 15)	2022	2021
Annual surplus	\$ 60,335,568	\$ 67,890,481	\$ 172,725,363
Acquisition of tangible capital assets	(247,572,100)	(99,020,661)	(240,292,747)
Contributed tangible capital assets	-	(2,748,507)	(7,777,166)
Amortization of tangible capital assets	-	61,321,414	58,510,683
Loss on disposal of tangible capital assets	-	810,075	534,117
Proceeds on sale of tangible capital assets	-	92,671	155,731
Other tangible capital asset transfers	-	1,013,320	-
	(187,236,532)	29,358,793	(16,144,019)
Acquisition of inventory of supplies	-	(2,599,805)	(1,991,623)
Acquisition of prepaid expenses	-	(3,828,326)	(3,301,777)
Consumption of inventory of supplies	-	2,367,428	1,948,344
Use of prepaid expenses	-	3,896,735	2,535,890
	-	(163,968)	(809,166)
Net Remeasurement Gains (Losses)	-	(5,565,924)	(1,659,506)
Change in Net Debt	(187,236,532)	23,628,901	(18,612,691)
Net Debt, beginning of year	(98,963,008)	(98,963,008)	(80,350,317)
Net Debt, end of year	\$ (286,199,540)	\$ (75,334,107)	\$ (98,963,008)

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

Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended December 31, 2022, with comparative information for 2021

	2022	2021
Accumulated remeasurement gain (loss), beginning of year	\$ (1,052,137)	\$ 607,369
Unrealized gains (losses) attributable to:		
Foreign exchange	6,615	(267)
Portfolio investments	(5,572,539)	(1,605,384)
Realized gains (losses) attributable to:		
Portfolio investments	-	(53,855)
Net remeasurement gains and losses for the year	(5,565,924)	(1,659,506)
Accumulated remeasurement gain (loss), end of year	\$ (6,618,061)	\$ (1,052,137)

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

Consolidated Statement of Cash Flows

For the year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 67,890,481	\$ 172,725,363
Items not involving cash:		
Amortization	61,321,414	58,510,683
Contributed tangible capital assets	(2,748,507)	(7,777,166)
Other tangible capital asset transfers	1,013,320	-
Loss on disposal of tangible capital assets	810,075	534,117
Actuarial adjustment of long-term debt	(5,782,984)	(5,546,660)
Decrease (increase) in non-cash assets:		
Accounts receivable	31,036,594	(20,692,889)
Prepaid expenses	68,409	(765,887)
Inventory of supplies	(232,377)	(43,279)
Increase (decrease) in non-cash liabilities:		
Accounts payable and accrued liabilities	6,448,974	(86,123,890)
Deferred revenue	(874,548)	16,233,759
Landfill closure and post-closure provision	758,385	655,546
Other liabilities	(165,558)	128,949
Net change in cash from operating activities	159,543,678	127,838,646
Capital activities:		
Proceeds on sale of tangible capital assets	92,671	155,731
Cash used to acquire tangible capital assets	(99,020,661)	(176,901,353)
Net change in cash from capital activities	(98,927,990)	(176,745,622)
Investing activities:		
Acquisition of investments	(238,241,437)	(123,132,860)
Proceeds from investments	101,775,522	93,699,305
Net change in cash from investing activities	(136,465,915)	(29,433,555)
Financing activities:		
Restricted cash - MFA debt reserve fund	34,308	(195,844)
Additions to short-term debt	26,457,445	116,661,025
Additions and transfers to long-term debt	9,415,000	112,198,068
Repayment and transfers from short-term debt	(23,161,025)	(158,277,457)
Repayment of long-term debt	(24,389,363)	(24,844,760)
Net change in cash from financing activities	(11,643,635)	45,541,032
Net decrease in cash and cash equivalents	(87,493,862)	(32,799,499)
Cash and cash equivalents, beginning of year	144,126,555	176,926,054
Cash and cash equivalents, end of year	\$ 56,632,693	\$ 144,126,555
Cash paid for interest	\$ 23,090,993	\$ 21,728,983
Cash received for interest	6,316,370	3,162,745

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

Capital Regional District

Notes to the Consolidated Financial Statements

For the year ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES

a) BRITISH COLUMBIA REGIONAL DISTRICTS

The consolidated financial statements of the Capital Regional District (the District) are prepared by management in accordance with Canadian public sector accounting standards for local governments and regional districts as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The resources and operation of the District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. Transactions and balances between funds are eliminated on consolidation. The consolidated financial statements exclude trust assets that are administered for the benefit of external parties.

b) BASIS OF CONSOLIDATION

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the District and Capital Region Housing Corporation (CRHC). The CRHC is controlled by the District. All transactions and balances between these entities have been eliminated on consolidation.

c) 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.

d) TAXATION

Each Municipality and Electoral Area within the District is requisitioned for their portion of each service in which they participate. These funds are then levied by the Municipalities and the Province (for Electoral Areas) to individual taxpayers and turned over to the District by August 1 of each year.

e) INTEREST

The District follows the practice of investing individually significant unspent funds within individual funds. Interest earned is allocated on the basis of actual earnings from the specific instruments. 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.

Excess working capital is pooled and interest earned on funds is allocated to services on a monthly basis.

1. SIGNIFICANT ACCOUNTING POLICIES continued

f) GOVERNMENT TRANSFERS

Government transfers without stipulations restricting their use are recognized in the consolidated financial statements as revenues 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 are recognized in the consolidated financial statements as revenues in the period in which stipulations that give rise to an obligation have been met.

g) DEFERRED REVENUE

Deferred revenue includes amounts received from third parties which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. 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.

h) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include short-term highly liquid investments with a term to maturity of less than 90 days at acquisition.

i) FINANCIAL INSTRUMENTS

Financial instruments are classified into two categories fair value or cost.

- i. Fair value category: portfolio investments quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the consolidated statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and related balances reversed from the consolidated statement of remeasurement gains and losses.

1. SIGNIFICANT ACCOUNTING POLICIES continued

i) FINANCIAL INSTRUMENTS continued

- ii. Cost category: portfolio investment not quoted in an active market, financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the consolidated statement of operations when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date.

Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the District determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the District expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

j) LONG-TERM DEBT

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

k) EMPLOYEE FUTURE BENEFITS

- i. The District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.
- ii. Sick leave and other 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.

l) LANDFILL LIABILITY

The liability for closure costs of operational sites and post-closure care has been recognized based on the present value of estimated future expenses, estimated inflation and the cumulative usage of the site's capacity. The change in this liability during the year is recorded as a charge to operations. These estimates are reviewed and adjusted annually.

1. SIGNIFICANT ACCOUNTING POLICIES continued

m) 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 cost, less residual value, of the tangible capital assets, excluding land and the landfill site, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Engineering Structures	10 to 100 Years
Buildings	20 to 75 Years
Machinery and Equipment	5 to 20 Years
Vehicles	8 to 15 Years
Other Assets	5 to 25 Years

The capacity of the landfill site is evaluated using the units of production method based upon capacity used during the year.

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

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 the future economic benefits associated with the asset is less than the book value of the asset.

The District is fortunate to have many natural assets that reduce the need for engineered infrastructure that would otherwise be required. This includes watersheds, creeks, ditches and wetlands (rain water management). Canadian public sector accounting standards do not allow for the valuation and recording of such assets into the consolidated financial statements of the District. As such, these natural assets are not reported in these consolidated financial statements.

Assets acquired by right, such as forests, water and mineral resources, are not recorded in the consolidated financial statements.

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.

1. SIGNIFICANT ACCOUNTING POLICIES continued

m) NON-FINANCIAL ASSETS continued

iii. Works of Art and Cultural and Historic Assets

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

iv. Interest Capitalization

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

v. Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to the District 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.

vi. Inventories of Supplies

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

n) 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.

1. SIGNIFICANT ACCOUNTING POLICIES continued

o) CAPITALIZATION OF PUBLIC PRIVATE PARTNERSHIP PROJECTS

A public private partnership (P3) is an infrastructure project where a private sector partner designs, builds, finances and operates public infrastructure assets.

The asset costs, at initial recognition, include development and financing fees estimated at fair value that require the extraction of capital cost information from the financial model in the project agreement. Costs that are incurred directly by the District are also included in the asset cost. The assets are capitalized and amortized in accordance with the District's tangible capital asset policy Note 1 m) i.

A liability is measured initially for the same amount as the capital cost from the financial model less any consideration paid to the private sector partner. The liability is recorded as long-term debt in Note 5. The liability is subsequently measured at amortized cost. The implicit interest rate in the agreement is used to calculate the finance charge embedded in the financial model using the effective interest rate method.

Upon substantial completion, the private sector partner receives monthly payments described in Note 12 over the term of the agreement to cover the partner's operating, capital and financing costs. Operating and financing costs are recognized as expenses in the period to which they relate. Capital costs reduce the liability owing to the private sector partner.

p) USE OF ESTIMATES

The preparation of consolidated financial statements conforming 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 consolidated financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, landfill liability and the useful lives of tangible capital assets. Actual results could differ from these estimates.

q) SEGMENTED INFORMATION

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The District has provided definitions of the District's segments as well as presented consolidated financial information in segmented format in Note 20.

2. ADOPTION OF NEW ACCOUNTING POLICY

On January 1, 2022, the District early adopted Public Sector Accounting Board standard *PS 3160 Public Private Partnerships*. The new accounting standard addresses the reporting of public private partnerships where a public sector entity procures infrastructure using a private sector partner, and the private sector partner designs, builds, finances and operates and/or maintains the infrastructure. The standard was adopted retroactively without prior period restatement. All infrastructure assets and related liabilities recognized under this standard were previously reported in the District's consolidated financial statements, and as a result there was no impact on adoption of the standard to net debt, accumulated surplus or annual surplus.

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS**a) CASH AND CASH EQUIVALENTS**

	2022	2021
CRD	\$ 38,114,359	\$ 129,353,814
CRHC	18,518,334	14,772,741
	\$ 56,632,693	\$ 144,126,555

b) INVESTMENTS

	2022	2021
Investments measured at fair value:		
CRD Municipal Finance Authority (MFA) pooled funds	\$ 92,043,802	\$ 63,584,852
Investments measured at cost:		
CRD term deposits and GICs	245,873,999	149,932,958
CRHC term deposits and GICs	6,500,000	-
Total	\$ 344,417,801	\$ 213,517,810

The carrying cost of MFA pooled funds for CRD is \$98,324,313 (2021 - \$64,582,944).

4. SHORT-TERM DEBT

The District's short-term debt of \$1,800,000 (2021 - \$17,510,000) is borrowed through MFA. In 2022, \$3,010,000 of short-term debt was transferred to long-term debt, and \$18,000,000 was repaid. The District paid \$133,969 (2021 - \$631,545) of variable short-term interest based on the MFA's floating daily rate. Short-term debt is repayable on demand and must be repaid or transferred to long-term debt within 5 years of initial draw.

CRHC's short-term debt of \$21,157,445 (2021 - \$2,151,025) is borrowed through BC Housing Management Commission (BCHMC) to finance the construction of affordable housing projects. Interest is charged at a variable rate based on BCHMC's short term cost of borrowing plus an administrative spread. The short-term debt is converted to a long-term mortgage at the completion of each construction project. In 2022, \$2,151,025 of short-term debt was forgiven by BCHMC per the loan agreement and recorded as revenue in Government transfers on the consolidated statement of operations.

	2022			
	Outstanding Dec 31/21	Additions	Repayments and Transfers	Outstanding Dec 31/22
General Capital	\$ 3,010,000	\$ -	\$ (3,010,000)	\$ -
Sewer Capital	14,500,000	5,000,000	(18,000,000)	1,500,000
Water Capital	-	300,000	-	300,000
CRD Debt	17,510,000	5,300,000	(21,010,000)	1,800,000
Vancouver Island Regional Library (VIRL)	6,000,000	-	(6,000,000)	-
CRD Total	23,510,000	5,300,000	(27,010,000)	1,800,000
CRHC Total	2,151,025	21,157,445	(2,151,025)	21,157,445
	\$ 25,661,025	\$ 26,457,445	\$ (29,161,025)	\$ 22,957,445

5. LONG-TERM DEBT

a) DEBT

The District borrows debenture debt through MFA. The principal portion of long-term debenture repayment is added to the MFA sinking fund, which is secured against the debt and invested over the term of the loan. The balance of this fund is used to retire the debt at or before maturity of the loan depending on the actual return on investments in the sinking fund. The MFA provides the District with an estimated actuarial valuation, which is the estimated return on the invested balance of the sinking fund. Debt principal is reported net of repayments and actuarial adjustments. Revenue for actuarial adjustments is recorded as Actuarial adjustment of long-term debt in the consolidated statement of operations.

The District has also incurred long-term debt on behalf of member municipalities and other entities through agreements with the MFA. All monies borrowed are upon the District’s credit at large and, in the event of any default, would constitute an indebtedness for which its members are jointly and severally liable.

The District reports the total principal and interest payments collected from member municipalities and other entities as expenses in Debt payments for member municipalities and revenues in Government transfers. Total principal payments received from member municipalities and other entities in the year was \$10,881,251 (2021 - \$9,362,108).

The District has a P3 agreement for the Residuals Treatment Facility (RTF). The RTF contract has a 20-year term to December 31, 2040 with monthly capital cost and financing payments of \$460,812 including interest of 6.29%. Interest paid in 2022 was \$3,745,227 (2021 - \$3,201,666).

Interest expense on long-term debt, including interest on the P3 agreement, is as follows:

	2022	2021
Interest expense on long-term debt	\$ 22,950,445	\$ 21,060,629
Interest received from member municipalities & other entities	6,870,407	5,974,446
Net interest expense related to long-term debt	\$ 16,080,038	\$ 15,086,183

In 2022, \$80,597 (2021 - \$56,577) was collected from member municipalities relating to payments into the Debt Reserve Fund (Note 6) and are included as expenses in Debt payments: member municipalities and other entities. Debt incurred on behalf of member municipalities and other entities is also presented as a receivable in Debt recoverable: member municipalities and other entities on the consolidated statement of financial position for \$176,433,255 (2021 - \$185,542,697).

5. LONG-TERM DEBT continued**a) DEBT continued**

Debt is comprised of the amounts in the following table and includes varying maturities, with interest rates ranging from 0.91% to 6.29% and an average rate of 2.64%. The District's debt that is held with the MFA consists of debenture debt of \$166,626,090 (2021 - \$183,674,201) and non-debenture debt of \$60,739,817 (2021 - \$62,670,369). Included in non-debenture debt is \$60,259,882 (2021 - \$62,044,400) owed for the RTF P3 agreement. Principal repayment on the P3 debt was \$1,784,518 (2021 - \$1,346,995). The CRHC debt consists of mortgage debt with BCHMC and commercial banks.

	2022					
	Outstanding December 31, 2021	Additions	Principal	Sinking Fund	Total Debt Repayments	Outstanding December 31, 2022
General Capital	\$ 27,908,718	\$ 3,915,000	\$ (2,934,067)	\$ (704,931)	\$ (3,638,998)	\$ 28,184,720
Sewer Capital	172,796,993	1,000,000	(8,376,229)	(1,370,398)	(9,746,627)	164,050,366
Water Capital	45,638,859	-	(6,940,856)	(3,567,180)	(10,508,036)	35,130,823
	246,344,570	4,915,000	(18,251,152)	(5,642,509)	(23,893,661)	227,365,909
Accrued actuarial valuation - CRD Debt	(3,222,330)	-	-	(140,475)	(140,475)	(3,362,805)
CRD Debt	243,122,240	4,915,000	(18,251,152)	(5,782,984)	(24,034,136)	224,003,104
Member Municipalities	179,542,697	11,355,000	(10,881,251)	(3,583,191)	(14,464,442)	176,433,255
CRD Total	422,664,937	16,270,000	(29,132,403)	(9,366,175)	(38,498,578)	400,436,359
CRHC	160,242,731	4,500,000	(6,138,211)	-	(6,138,211)	158,604,520
	\$ 582,907,668	\$ 20,770,000	\$ (35,270,614)	\$ (9,366,175)	\$ (44,636,789)	\$ 559,040,879

Member municipalities includes all debt incurred by the District on behalf of other entities where the principal and interest payments will be recovered from third parties.

b) DEMAND NOTES - CONTINGENT LIABILITY

The MFA holds demand notes related to the District's debenture debt in the amount of \$17,463,504 (2021 - \$17,963,858) of which \$7,107,325 (2021 - \$7,300,480) is held by the District for the member municipalities & other entities (Note 6). The demand notes are not recorded in the consolidated financial statements as they will only be called upon if the MFA does not have sufficient funds to meet its payment obligations.

5. LONG-TERM DEBT continued

c) LONG-TERM DEBT PAYABLE/MATURING

The following principal and actuarial amounts included in long-term debt are payable/maturing over the next five years and thereafter.

	2023	2024	2025	2026	2027	Thereafter
CRD						
General	\$ 2,944,697	\$ 2,695,023	\$ 2,493,330	\$ 2,080,963	\$ 1,465,490	\$ 9,602,674
Sewer	7,889,481	7,420,491	7,513,353	6,953,608	7,031,901	97,117,233
Water	6,973,678	3,197,288	2,662,519	2,262,430	2,141,647	6,992,412
CRD Debt	17,807,856	13,312,802	12,669,202	11,297,001	10,639,038	113,712,319
Member Municipalities	10,490,499	10,182,473	9,323,017	8,610,068	7,342,014	69,866,166
CRD Total	28,298,355	23,495,275	21,992,219	19,907,069	17,981,052	183,578,485
CRHC	6,189,329	6,030,185	5,591,576	5,375,345	5,220,773	130,197,312
Total Principal Repayment	34,487,684	29,525,460	27,583,795	25,282,414	23,201,825	313,775,797
Estimated Sinking Fund Income	5,962,312	6,253,836	5,937,018	5,312,777	5,162,560	76,555,401
Total	\$ 40,449,996	\$ 35,779,296	\$ 33,520,813	\$ 30,595,191	\$ 28,364,385	\$ 390,331,198

Member municipalities includes all debt incurred by the District on behalf of other entities where the principal and interest payments will be recovered from third parties.

6. MFA DEBT RESERVE FUND

The MFA provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund into which each regional district and member municipality, who shares in the proceeds of a debt issue through the District, is required to pay certain amounts set out in the debt agreements. Interest earned on these funds (less administrative expenses) becomes an obligation of the MFA to the regional district. If at any time insufficient funds are provided by the regional district or their member municipalities or any other MFA borrower, the MFA may then use these funds to meet payments on its obligations. Should this occur, the regional district and member municipalities may be called upon to restore the fund. The MFA has not required the debt reserve fund to meet obligations in its history. The cash deposits of the member municipalities \$3,581,035 (2021 - \$3,602,570) are not recorded in these consolidated financial statements. The District's restricted cash on its direct debt is \$4,095,849 (2021 - \$4,130,157).

	2022	2021
Cash Deposits		
Restricted cash - MFA Debt Reserve Fund	\$ 4,095,849	\$ 4,130,157
Cash deposits - Member Municipalities	3,581,035	3,602,570
Demand Notes		
Demand notes - Capital Regional District	10,356,179	10,663,378
Demand notes - Member Municipalities	7,107,325	7,300,480
	\$ 25,140,388	\$ 25,696,585

7. DEFERRED REVENUE

Continuity of deferred revenue is as follows:

	2022	2021
Balance, beginning of year	\$ 48,963,240	\$ 32,729,481
Externally restricted contributions received:		
Federal housing grants	2,127,816	15,563,280
Development cost charges	4,356,547	3,684,642
Developer advances for construction	3,285,655	4,524,693
Total externally restricted contributions received	9,770,018	23,772,615
Externally restricted contributions used and recognized in revenue	(10,010,510)	(8,454,247)
Net change in externally restricted contributions	(240,492)	15,318,368
Change in deposits and other deferred revenues	(634,056)	915,391
Balance, end of year	\$ 48,088,692	\$ 48,963,240

The deferred revenue reported on the consolidated statement of financial position consists of the following:

	2022	2021
Deferred revenue - general	\$ 32,423,437	\$ 33,447,378
Deferred revenue - water	1,236,715	1,109,504
Development cost charges	13,063,927	13,189,292
Developer advances for construction	772,909	515,316
Deferred revenue - CRHC	591,704	701,750
Balance, end of year	\$ 48,088,692	\$ 48,963,240

8. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

In accordance with PS 3270, a liability with respect to permanently closing and monitoring a landfill is incurred as landfill capacity is used. Post-closure costs include landfill gas monitoring, leachate collection system operation and general site maintenance for a period of 30 years after the landfill is permanently closed.

The liability for closure costs of operational sites and post-closure care has been recognized based on the present value of estimated future expenses, estimated inflation and the cumulative usage of the site's capacity to the statement end date. These estimates are reviewed annually with adjustments recorded for any material differences.

In 2022, the District applied to the Province for an expansion to the existing landfill site. If the expansion is approved by the Minister of Environment and Climate Change Strategy, management estimates the life of the landfill will be extended to 2075. The solid waste management plan also contemplates changes to waste to coverage ratios and garbage per capita disposal rates which could result in the landfill life being extended to 2096. Due to uncertainty of the approval, management has not incorporated these changes.

Based on the existing approved Solid Waste Management Plan, the estimated remaining capacity of the landfill site is 57% with a remaining life of 28 years. The plan includes an additional 30 years of post-closure activity.

Landfill closure and post-closure costs are estimated at \$24,631,000 (2021 - \$31,329,000). Based on landfill capacity used to date, a liability is recorded at December 31, 2022 of \$12,695,022 (2021 - \$11,936,637). The estimated liability has been set aside in reserves for funding the future landfill closure and post-closure costs.

9. OTHER LIABILITIES

Other liabilities consist of the following balances:

	2022	2021
Sick leave benefits	\$ 464,200	\$ 532,200
Contaminated sites	911,207	999,491
Other benefits payable	30,431	39,705
	\$ 1,405,838	\$ 1,571,396

a) SICK LEAVE BENEFITS

The District provides sick leave benefits to its employees. The accrued benefit obligation is included in Other liabilities on the consolidated statement of financial position and has been estimated by an actuarial valuation completed at December 31, 2022. The District's accrued benefit obligation is \$464,200 (2021 - \$532,200).

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

	2022	2021
Discount rates	4.50%	2.50%
Expected future inflation rates	2.00% to 4.00%	2.50%
Expected wage and salary increases	2.00% to 4.00%	2.50%

The expected future inflation rates and wage and salary increases are 4.0% for 2023, 3.0% for 2024, 2.5% for 2025, and 2.0% thereafter.

b) CONTAMINATED SITES

The District estimated a liability of \$911,207 as at December 31, 2022 (2021 - \$999,491) for remediation of five known contaminated sites. Where timing of remediation is known, the liability has been discounted to present value using current MFA lending rates. Estimated undiscounted expenditures in 2022 are \$360,000 (2021: nil). The nature of the contamination includes heavy metals, chlorinated solvents, hydrocarbons, and other organic and inorganic compounds. The source of the contamination includes unregulated shooting activities, disposal of excess soil from utility projects, underground storage tanks, fuel bulk storage facilities, and disposal of septage and other trucked liquid and solid waste.

10. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated Amortization				Net Book Value December 31, 2022	
	Balance at December 31, 2021	Additions	Disposals and Adjustments	Transfers	Balance at December 31, 2022	Balance at December 31, 2021	Disposals and Adjustments	Amortization Expense		Balance at December 31, 2022
Work in Progress										
CRD	\$ 36,029,919	\$ 28,292,400	\$ (125,687)	\$ (12,233,494)	\$ 51,963,138	\$ -	\$ -	\$ -	\$ -	\$ 51,963,138
Engineering Structures										
CRD	1,643,438,021	22,199,272	(2,890,500)	5,259,904	1,668,006,697	352,910,575	(1,792,627)	40,669,562	391,787,510	1,276,219,187
Buildings										
CRD	290,978,006	3,904,848	(1,230,719)	3,650,371	297,302,506	58,041,581	(889,662)	7,744,632	64,896,551	232,405,955
CRHC	126,829,332	34,192,665	-	-	161,021,997	82,180,424	-	3,156,360	85,336,784	75,685,213
	417,807,338	38,097,513	(1,230,719)	3,650,371	458,324,503	140,222,005	(889,662)	10,900,992	150,233,335	308,091,168
Machinery & Equipment										
CRD	74,385,914	6,292,481	(1,894,804)	2,034,869	80,818,460	48,802,657	(2,290,443)	4,155,659	50,667,873	30,150,587
CRHC	39,677,202	2,106,867	-	-	41,784,069	31,049,791	-	1,949,058	32,998,849	8,785,220
	114,063,116	8,399,348	(1,894,804)	2,034,869	122,602,529	79,852,448	(2,290,443)	6,104,717	83,666,722	38,935,807
Vehicles										
CRD	25,419,384	942,062	(381,674)	191,371	26,171,143	16,130,863	(354,485)	1,709,241	17,485,619	8,685,524
Land										
CRD	273,829,557	3,300,399	(31,091)	33,602	277,132,467	-	-	-	-	277,132,467
CRHC	9,496,053	-	-	-	9,496,053	-	-	-	-	9,496,053
	283,325,610	3,300,399	(31,091)	33,602	286,628,520	-	-	-	-	286,628,520
Land Depletion										
CRD	648,301	-	-	-	648,301	220,732	-	18,523	239,255	409,046
Land Under Prepaid Lease										
CRHC	11,303,596	-	-	-	11,303,596	2,258,021	-	194,031	2,452,052	8,851,544
Other Assets										
CRD	23,497,010	538,174	(688,808)	1,063,377	24,409,753	14,539,498	-	1,724,348	16,263,846	8,145,907
	\$ 2,555,532,295	\$ 101,769,168	\$ (7,243,283)	\$ -	\$ 2,650,058,180	\$ 606,134,142	\$ (5,327,217)	\$ 61,321,414	\$ 662,128,339	\$ 1,987,929,841
Totals										
CRD	2,368,226,112	65,469,636	(7,243,283)	-	2,426,452,465	490,645,906	(5,327,217)	56,021,965	541,340,654	1,885,111,811
CRHC	187,306,183	36,299,532	-	-	223,605,715	115,488,236	-	5,299,449	120,787,685	102,818,030
	2,555,532,295	101,769,168	(7,243,283)	-	2,650,058,180	606,134,142	(5,327,217)	61,321,414	662,128,339	1,987,929,841
	\$ 2,555,532,295	\$ 101,769,168	\$ (7,243,283)	\$ -	\$ 2,650,058,180	\$ 606,134,142	\$ (5,327,217)	\$ 61,321,414	\$ 662,128,339	\$ 1,987,929,841

During 2022, \$2,740,207 (2021 - \$4,291,723) in water distribution infrastructure and \$8,300 (2021 - \$3,718,443) in other assets were contributed to the District.

10. TANGIBLE CAPITAL ASSETS continued

	Cost				Accumulated Amortization				Net Book Value December 31, 2021	
	Balance at December 31, 2020	Additions	Disposals	Transfers	Balance at December 31, 2021	Balance at December 31, 2020	Disposals and Adjustments	Amortization Expense		Balance at December 31, 2021
Work in Progress										
CRD	\$ 80,048,259	\$ 18,425,071	\$ -	\$ (62,443,411)	\$ 36,029,919	\$ -	\$ -	\$ -	\$ -	\$ 36,029,919
Engineering Structures										
CRD	1,377,247,397	169,974,270	-	96,216,354	1,643,438,021	315,475,328	-	37,435,247	352,910,575	1,290,527,446
Buildings										
CRD	293,129,076	27,594,562	(272,335)	(29,473,297)	290,978,006	50,843,905	(56,313)	7,253,989	58,041,581	232,936,425
CRHC	122,362,585	7,198,755	(2,732,008)	-	126,829,332	81,568,411	(2,441,453)	3,053,466	82,180,424	44,648,908
	415,491,661	34,793,317	(3,004,343)	(29,473,297)	417,807,338	132,412,316	(2,497,766)	10,307,455	140,222,005	277,585,333
Machinery & Equipment										
CRD	71,894,601	4,378,298	(1,654,012)	(232,973)	74,385,914	46,565,471	(1,654,009)	3,891,195	48,802,657	25,583,257
CRHC	38,956,747	2,172,315	(1,451,860)	-	39,677,202	30,427,494	(1,304,977)	1,927,274	31,049,791	8,627,411
	110,851,348	6,550,613	(3,105,872)	(232,973)	114,063,116	76,992,965	(2,958,986)	5,818,469	79,852,448	34,210,668
Vehicles										
CRD	23,766,854	2,305,845	(653,315)	-	25,419,384	14,991,694	(616,930)	1,756,099	16,130,863	9,288,521
Land										
CRD	264,552,692	13,934,065	-	(4,657,200)	273,829,557	-	-	-	-	273,829,557
CRHC	9,496,053	-	-	-	9,496,053	-	-	-	-	9,496,053
	274,048,745	13,934,065	-	(4,657,200)	283,325,610	-	-	-	-	283,325,610
Land Depletion										
CRD	648,301	-	-	-	648,301	202,209	-	18,523	220,732	427,569
Land Under Prepaid Lease										
CRHC	9,658,643	1,644,953	-	-	11,303,596	2,068,631	-	189,390	2,258,021	9,045,575
Other Assets										
CRD	22,464,704	441,779	-	590,527	23,497,010	11,553,998	-	2,985,500	14,539,498	8,957,512
	\$ 2,314,225,912	\$ 248,069,913	\$ (6,763,530)	\$ -	\$ 2,555,532,295	\$ 553,697,141	\$ (6,073,682)	\$ 58,510,683	\$ 606,134,142	\$ 1,949,398,153
Totals										
CRD	2,133,751,884	237,053,890	(2,579,662)	-	2,368,226,112	439,632,605	(2,327,252)	53,340,553	490,645,906	1,877,580,206
CRHC	180,474,028	11,016,023	(4,183,868)	-	187,306,183	114,064,536	(3,746,430)	5,170,130	115,488,236	71,817,947
	\$ 2,314,225,912	\$ 248,069,913	\$ (6,763,530)	\$ -	\$ 2,555,532,295	\$ 553,697,141	\$ (6,073,682)	\$ 58,510,683	\$ 606,134,142	\$ 1,949,398,153

11. ACCUMULATED SURPLUS

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 1,582,364,772	\$ 1,526,372,142
Operating Funds:		
CRD	156,682,325	156,134,162
CRHC	9,213,309	2,039,855
Total surplus	1,748,260,406	1,684,546,159

Reserve funds set aside for specific purposes:

	2022	2021
Regional		
Equipment Replacement Fund	32,670,563	29,544,673
Feasibility Study Reserve Fund	147,412	150,241
Office Facilities & Equipment Reserve Fund	4,977,806	6,368,658
Regional Parks Capital Reserve Fund	12,610,444	12,915,923
Solid Waste Capital Reserve Fund	11,675,388	8,730,881
Regional Parks Land Capital Reserve Fund	1,125,646	1,103,934
Regional Parks Legacy Operating Reserve Fund	17,349	15,885
Regional Parks Operating Reserve Fund	97,346	94,704
Regional Planning Services Operating Reserve Fund	1,697,335	2,298,461
Regional Growth Strategy Operating Reserve Fund	1,731,257	1,569,948
Climate Action & Adapt Operating Reserve Fund	936,580	85,456
Regional Source Control Operating Reserve Fund	498,070	515,778
Land Bank & Housing Operating Reserve Fund	405,178	206,353
HAZMAT Incident Response Operating Reserve Fund	118,838	106,444
Emergency Response 911 Operating Reserve Fund	106,774	172,903
Solid Waste Operating Reserve Fund	26,910,018	39,976,688
GIS Data Maintenance Operating Reserve Fund	54,399	367
IW ES Ops Operating Reserve Fund	1,007,205	979,879
ES Water Quality Operating Reserve Fund	528,412	398,285
ES HQ Admin Operating Reserve Fund	60,989	44,741
ES Engineering Operating Reserve Fund	459,483	447,017
ES Protection Operating Reserve Fund	807,250	785,349
Legislative and General Services Operating Reserve Fund	2,648,603	2,227,560
Regional Emergency Program Operating Reserve Fund	36,896	91,024
Facility Management Operating Reserve Fund	123,346	106,277
HQ Facility Operating Reserve Fund	58,332	56,600
Community Health Operating Reserve Fund	78,605	-
GeoSpatial Referencing Operating Reserve Fund	10,863	-

11. ACCUMULATED SURPLUS continued

	2022	2021
Sub-Regional		
Royal Theatre Capital Reserve Fund	1,235,073	867,191
S.P.W.W.S. Sewer Debt Reserve Fund	1,141,854	1,812,916
Saanich Peninsula Ice Arena Facility Capital Reserve Fund	4,182,867	3,908,349
SEAPARC Capital Reserve Fund	1,137,932	1,324,496
Trunk Sewers and Sewage Disposal Facilities Capital Reserve Fund	1,235,028	1,258,955
Sidney Treatment Plant Capital Reserve Fund	1,009,507	982,118
Saanich Peninsula Water Supply Capital Reserve Fund	5,417,843	6,221,195
McPherson Theatre Capital Reserve Fund	2,390,503	2,210,452
Core Area Wastewater Service Capital Reserve Fund	5,743,431	3,913,637
Core Area Wastewater Debt Reserve Fund	11,488,501	6,389,959
Seaparc Legacy Operating Reserve Fund	2,015	1,960
S.P.W.W.S. Sewer Operating Reserve Fund	658,259	580,413
Arts and Culture Grants Operating Reserve Fund	322,109	305,205
Sooke & EA Rec Facilities Operating Reserve Fund	32,649	26,899
Panorama Recreation Operating Reserve Fund	401,087	312,705
JDF Community Planning Operating Reserve Fund	385,628	315,239
Stormwater Quality Sooke Operating Reserve Fund	50,412	43,550
Stormwater Quality Core Operating Reserve Fund	279,186	191,512
Stormwater Quality Sannich Pen Operating Reserve Fund	44,157	25,101
Saanich Peninsula Source Control Operating Reserve Fund	48,179	45,322
LWMP Onsite Operating Reserve Fund	384,233	329,009
LWMP Peninsula Operating Reserve Fund	135,311	54,632
LWMP Core & WS Operating Reserve Fund	726,636	986,281
Core Area Wastewater Operating Reserve Fund	10,633,127	7,698,621
Building Inspection Operating Reserve Fund	612,699	292,078
Emergency Planning Operating Reserve Fund	60,373	61,439
Local		
Shirley Fire Reserve Fund	130,685	105,985
Southern Gulf Islands Emergency Capital Fund	278,083	261,825
Sooke Community Park Capital Fund	204,085	597,479
Pender Island Park Land Reserve Fund	37,738	36,714
Salt Spring Island Park Land Acquisition Reserve Fund	835,418	912,498
Salt Spring Island Parks & Recreation Capital Reserve Fund	370,597	410,214
Southern Gulf Islands Small Craft Harbour Capital Reserve Fund	189,768	186,129
Galiano Island Parks & Recreation Capital Reserve Fund	288,531	64,905
Saturna Island Park Land Reserve Fund	3,335	3,244
Mayne Island Park Land Reserve Fund	119,388	110,463
North Pender Island Fire Capital Reserve Fund	247,471	349,445
Pender Island Parks & Recreation Commission Fund	422,827	367,005
Saturna Island Parks & Recreation Commission Fund	80,459	74,693
Willis Point Fire & Recreation Capital Reserve	145,782	149,091
Port Renfrew Solid Waste Capital Reserve Fund	36,050	55,260
Magic Lake Sewerage System Capital Reserve Fund	374,653	306,661

11. ACCUMULATED SURPLUS continued

	2022	2021
Maliview Estates Sewer Capital Reserve Fund	79,029	26,389
Ganges Sewer LSA Capital Reserve Fund	593,041	864,625
Cedars of Tuam Water Capital Reserve Fund	7,395	12,164
Port Renfrew Sewer System Capital Reserve Fund	24,997	7,612
Magic Lake Estates Water System Capital Reserve Fund	1,121,385	1,151,915
Port Renfrew Sewer & Water System Capital Reserve Fund	58,573	52,500
Lyll Harbour/Boot Cove Water Service Area Capital Reserve Fund	32,171	23,956
Surfside Park Estates Water Capital Reserve Fund	70,105	65,217
Skana Water Service Capital Reserve Fund	11,638	39,384
Sticks Allison Water Capital Reserve Fund	11,392	4,250
Wilderness Mountain Water Capital Reserve Fund	43,553	47,351
Cedar Lane Water Capital Reserve Fund	17,143	42,387
Beddis Water Capital Reserve Fund	4,198	23,782
Fulford Water Capital Reserve Fund	29,584	85,499
Salt Spring Island Park Capital Reserve Fund	63,699	77,459
Salt Spring Island Pool Facility Capital Reserve Fund	98,457	97,461
Salt Spring Island Emergency Capital Reserve Fund	43,760	42,572
East Sooke Fire Capital Reserve Fund	52,951	42,999
Salt Spring Island Harbours Capital Reserve Fund	215,513	192,539
Family Court Building Capital Reserve Fund	481,094	322,457
Galiano Community Use Building Capital Reserve Fund	83,107	79,756
SSI Library Building Capital Reserve Fund	56,881	64,670
North Galiano Fire Capital Reserve Fund	79,666	72,554
Salt Spring Island Transport Capital Reserve Fund	391,522	103,392
Salt Spring Island Septage Capital Reserve Fund	153,382	171,856
Highland/Fernwood Water SSI Capital Reserve Fund	41,340	52,129
Port Renfrew Fire Capital Reserve Fund	48,721	47,399
Otter Point Fire Capital Reserve Fund	15,571	25,802
Salt Spring Island Transit Capital Reserve Fund	23,915	43,324
Animal Care Legacy Operating Reserve Fund	415,189	517,235
Highland/Fernwood Water Operating Reserve Fund	30,566	22,784
Beddis Water Operating Reserve Fund	17,170	9,752
Fulford Water Operating Reserve Fund	4,404	13,576
Cedar Lane Water Operating Reserve Fund	5,331	3,027
SSI Septage Composting Operating Reserve Fund	20,630	12,475
Ganges Sewer Operating Reserve Fund	96,008	73,603
Maliview Sewer Operating Reserve Fund	31,043	29,082
Magic Lake Estates Water Operating Reserve Fund	45,504	59,516
Lyll Harbour Boot Cove Operating Reserve Fund	10,931	815
Skana Water Operating Reserve Fund	6,092	1,041
Sticks Allison Water Operating Reserve Fund	7,433	1,426
Surfside Park Water Operating Reserve Fund	14,255	24,374
Magic Lake Sewer Operating Reserve Fund	23,075	33,825
Cedar Tuam Water Operating Reserve Fund	7,867	11,461
Durrance Road Fire Operating Reserve Fund	2,951	2,517

11. ACCUMULATED SURPLUS continued

	2022	2021
SGI Emergency Program Operating Reserve Fund	239,231	175,223
SSI Emergency Program Operating Reserve Fund	72,341	62,611
Nuisance & Unightly Premises Operating Reserve Fund	19,000	11,693
Electoral Area Fire Services Operating Reserve Fund	323,799	336,571
Electoral Area Soil Deposits & Removal Operating Reserve Fund	74,675	70,228
Noise Control Operating Reserve Fund	21,805	15,454
Animal Care Services Operating Reserve Fund	75,272	75,699
SSI Transit Operating Reserve Fund	192,796	302,186
Electoral Area Elections Operating Reserve Fund	125,101	103,359
Stormwater Quality SSI Operating Reserve Fund	77,945	57,225
Stormwater Quality SGI Operating Reserve Fund	20,797	13,535
SSI Economic Development Operating Reserve Fund	25,197	8,680
SSI Transportation Operating Reserve Fund	19,068	13,600
Port Renfrew Sewer Operating Reserve Fund	4,377	349
Wilderness Mountain Water Operating Reserve Fund	6,277	11,613
Port Renfrew Water Operating Reserve Fund	1,171	4,071
SGI Electoral Area Admin Operating Reserve Fund	114,807	97,705
SGI Economic Development Operating Reserve Fund	8,164	6,493
SSI Community Recreation Operating Reserve Fund	451	8,222
SSI Pool and Park Land Operating Reserve Fund	18,581	35,689
Capital Region Housing Corporation		
Capital Reserve Fund	8,294,901	7,029,087
Operating Reserve Fund	4,958,728	4,050,262
Total reserves	174,510,572	170,334,338
Accumulated Surplus	\$ 1,922,770,978	\$ 1,854,880,497

12. CONTRACTUAL OBLIGATIONS**a) CAPITAL PROJECTS AND OPERATING CONTRACTS**

At December 31, 2022, the District has outstanding commitments to capital projects and operating contracts totaling \$200,143,331 (2021 - \$173,063,065).

b) LONG-TERM LEASES

The District rents facilities and leases machinery and equipment under long-term operating leases. Future minimum lease payments are as follows:

	2022	2021
2023	\$ 360,898	\$ 742,550
2024	133,580	695,186
2025	131,280	226,445
2026	93,649	184,691
2027	53,278	87,728
Total future minimum lease payments	\$ 772,685	\$ 1,936,600

c) PUBLIC PRIVATE PARTNERSHIP

The District has entered into a multiple-year contract with a third party to design, build, finance, operate and maintain a Residuals Treatment Facility. The future obligations under the contract are as follows:

	Capital Cost and Financing	Operating and Maintenance Costs	Total Payments
2023	\$ 5,529,745	\$ 4,798,690	\$ 10,328,435
2024	5,529,745	4,908,111	10,437,856
2025	5,529,745	5,028,605	10,558,350
2026	5,529,745	5,727,310	11,257,055
2027	5,529,745	5,251,411	10,781,156
Thereafter	71,886,682	81,715,264	153,601,946
Total	\$ 99,535,407	\$ 107,429,391	\$ 206,964,798

Operating and maintenance costs to be paid to the private sector partner are contingent on specified performance criteria and the amounts in the table include an estimate of inflation but do not reflect performance holdbacks. The asset values are recorded as tangible capital assets and corresponding liabilities are recorded as debt and disclosed in Note 5.

13. CONTRACTUAL RIGHTS**a) THIRD PARTY AGREEMENTS**

At December 31, 2022, the District has entered into a number of multi-year revenue contracts with third parties. The estimated contractual rights under these contracts are as follows:

	2022	2021
2023	\$ 7,303,509	\$ 7,418,709
2024	292,239	215,725
2025	272,426	222,137
2026	265,880	228,741
2027	212,804	235,544
	\$ 8,346,858	\$ 8,320,856

b) LONG-TERM LEASES

The District has entered into various contracts for rental revenue. The estimated contractual rights under these contracts are as follows:

	2022	2021
2023	\$ 1,327,143	\$ 1,552,334
2024	317,896	516,373
2025	199,994	176,018
2026	184,224	146,018
2027	14,395	10,321
	\$ 2,043,652	\$ 2,401,064

14. CONTINGENCIES**a) LAWSUITS**

In the normal course of operations, the District is faced with lawsuits for damages of a diverse nature. At year-end, the District's estimated exposure to each such liability is either not determinable or is not considered to be significant. Claims paid by the District as a result of litigation are reported as expenses. Liabilities are recorded upon a determination that a loss is likely and a determination can be made of the estimated amounts.

14. CONTINGENCIES continued

b) BUILDING ENVELOPE REMEDIATION (BER) - (CRHC)

A number of low income housing buildings are operated by the CRHC under agreements with BCHMC. Prior to the signing of the new Umbrella Agreement in 2012, BCHMC provided funding for building envelope failure remediation for BCMHC and Homes BC buildings. In the event CRHC is unable to comply with agreement terms, BCHMC may require repayment of certain BER subsidies. Funding for future BER for all buildings except for buildings with no operating agreements is subject to future negotiations with BCHMC.

15. BUDGET DATA

The budget data presented in these consolidated financial statements is based on the 2022-2026 Financial Plan Bylaw 4481 as approved by the Board on March 16, 2022. Interfund transfers and debt principal payments are removed from the budget and the CRHC budget is added for presentation in the consolidated financial statements. Amortization is not contemplated in development of the budget and, as such, is not included. Other differences between budget and actuals exist such as higher demand for service, unexpected events, or changes in market and economic conditions. The District monitors budget by service and manages variances through service revenue, budget amendments, or reserve balances. The table below reconciles the budget surplus reported in the consolidated statement of operations to the budget surplus approved by the Board.

	Total
Budget annual surplus (deficit) as reported	\$ 60,335,568
Deduct outflows for:	
Transfers to reserve funds	(20,128,288)
Transfers to capital funds	(23,199,326)
Transfers to equipment replacement fund	(3,903,453)
Debt principal payments	(16,421,401)
CRHC transfers to reserve funds	(3,016,866)
CRHC debt principal payments	(6,145,126)
Add inflows for:	
Transfers from reserve funds	5,387,361
Prior year net surplus	7,859,598
CRHC transfers from reserve funds	58,800
Annual surplus approved by the Board	\$ 826,867

16. GOVERNMENT TRANSFERS

The following government transfers have been included in revenues:

	2022	2021
Federal	\$ 7,743,554	\$ 46,185,285
Provincial	38,792,422	95,418,970
Local	127,622,977	116,797,917
	\$ 174,158,953	\$ 258,402,172

Federal Government transfers include \$nil (2021 - \$35,750,000) relating to the Core Area Wastewater Treatment Project and \$nil (2021 - \$5,800,000) relating to the Regional Housing First Program (RHFP). Provincial Government transfers include \$nil (2021 - \$62,000,000) relating to the Core Area Wastewater Treatment Project and \$16,239,829 (2021 - \$5,606,806) relating to the Regional Housing First Program (RHFP). Local Government transfers include tax levies collected by the Province and municipalities on behalf of the District.

17. 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, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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 District paid \$5,210,779 (2021 - \$5,219,059) for employer contributions to the plan in fiscal 2022, while employees contributed \$4,823,280 (2021 - \$4,613,723) to the plan in fiscal 2022.

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

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.

18. RELATED PARTY TRANSACTIONS

The Capital Regional Hospital District (CRHD) is a related party to the CRD. The Board of Directors for each entity is comprised of the same individuals. As legislated by the Hospital District Act, the officers and employees of the CRD are the corresponding officers and employees of the CRHD. The CRD and CRHD are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year the CRHD purchased, at cost, \$883,575 (2021 - \$763,651) of administrative support and project management services from the CRD.

The Regional Housing First Program (RHFP) is a partnership between the CRD, the Provincial government, and the Federal government to provide capital funding to affordable housing projects in the region. The CRD, CRHC and CRHD will invest a combined \$40 million towards projects. In 2018, a RHFP project management office was created to support the delivery of the program. During the year, the CRHD contributed \$118,287 (2021 - \$143,978) and the CRHC contributed \$27,538 (2021 - \$64,790) to the CRD, to cost share in administrative support and project management services.

19. GVLRA - CUPE LONG-TERM DISABILITY TRUST

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association (GVLRA) representing a number of employers and the Canadian Union of Public Employees (CUPE) representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The employers and employees each contribute equal amounts into the Trust. The District paid \$485,654 (2021 - \$418,978) for employer contributions and District employees paid \$485,654 (2021 - \$418,978) for employee contributions to the plan in fiscal 2022. Based upon most recent information, at December 31, 2021, the total plan provision for approved and unreported claims was \$24,715,800 with a net surplus of \$1,664,646.

20. SEGMENTED REPORTING

The District is a diversified regional government that provides a wide range of services to its stakeholders. For management reporting purposes, the District's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

District services are provided by departments and their activities are reported within these funds. Certain functions have been separately disclosed as segmented information, along with accounting for the services they provide as follows:

Water Services:

Water Services operations include responsibility for the supply of wholesale water to the core municipalities, distribution to the Saanich Peninsula, the Westshore Communities, and Sooke. This segment also includes accountability for a number of local water service areas in Port Renfrew, Saltspring Island, and the Southern Gulf Islands.

Sewer Services:

Sewer Services operations include responsibility for the design, build, and operation of sewage collection, treatment, and disposal systems in the District. This includes the accountability for liquid waste in the core area and a number of local sewer service areas in Port Renfrew, Saltspring Island, and the Southern Gulf Islands.

Environmental Health Services:

Environmental Health Services operations are responsible for solid waste management and related environmental assessment and regulatory programs. The department provides municipal solid waste disposal and recycling services.

Recreation and Cultural Services:

Recreation and Cultural Services operations provide a wide variety of facilities and programs to residents of the capital region. Regional Parks is responsible for establishing and protecting a network of regional parks. Three recreation centers are operated in Sooke, Sidney, and Ganges. There are a number of parks and recreation programs located throughout the Southern Gulf Islands.

20. SEGMENTED REPORTING continued

General Government Services:

General Government Services operations are responsible for providing the functions of Corporate Services (Financial Services, GIS & Information Technology, Business Development, Risk Management, Payroll, Arts Development, and Facilities Management), Administration (Human Resources and Corporate Communications), and Planning and Protective Services.

Capital Region Housing Corporation:

The CRHC is a wholly-owned subsidiary of the Capital Regional District. It was incorporated under the laws of British Columbia Company in 1982 and its principal activity is the provision of rental accommodation for citizens of the District. The CRHC operates properties with 1,951 housing units.

The following page provides additional Segmented Information. The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in Note 1.

20. SEGMENTED REPORTING continued

Year ended December 31, 2022

	Water Services	Sewer Services	Environmental Health Services	Recreation and cultural services	General government services	Capital Region Housing Corporation	2022
Revenue							
Government transfers	\$ 10,568,172	\$ 58,522,968	\$ 944,110	\$ 33,752,557	\$ 50,145,805	\$ 20,225,341	\$ 174,158,953
Sale of services	58,185,112	2,140,992	26,050,314	4,095,420	1,590,375	-	92,062,213
Other revenue	5,085,705	3,322,704	8,860,119	5,730,496	9,633,425	-	32,632,449
Affordable housing - rental income	-	-	-	-	-	22,548,539	22,548,539
Actuarial adjustment of long-term debt	3,770,320	1,238,378	(113,831)	(1,028,620)	1,916,737	-	5,782,984
	77,609,309	65,225,042	35,740,712	42,549,853	63,286,342	42,773,880	327,185,138
Expenses							
Salaries, wages and benefits	16,061,148	84,246	3,096,847	16,434,368	43,739,838	3,813,721	83,230,168
Contract for services and consultants	4,769,776	6,255,761	9,191,730	1,037,985	6,403,983	1,123,805	28,783,040
Repairs and maintenance	67,487	602,789	1,837,079	697,242	1,007,956	1,625,882	5,838,435
Supplies	1,416,079	2,549,632	109,138	1,206,598	2,026,591	386,955	7,694,993
Utilities	1,070,112	2,649,594	78,083	1,025,552	511,422	2,005,702	7,340,465
Amortization of tangible capital assets	13,682,222	27,198,419	2,679,811	4,798,887	7,662,628	5,299,447	61,321,414
Interest on debt	3,579,825	7,765,610	32,340	633,649	7,499,108	3,573,882	23,084,414
Other expenses	4,888,534	19,502,202	6,851,438	8,551,925	675,350	1,532,279	42,001,728
	45,535,183	66,608,253	23,876,466	34,386,206	69,526,876	19,361,673	259,294,657
Annual Surplus (Deficit)	\$ 32,074,126	\$ (1,383,211)	\$ 11,864,246	\$ 8,163,647	\$ (6,240,534)	\$ 23,412,207	\$ 67,890,481

20. SEGMENTED REPORTING continued

Year ended December 31, 2021

	Water Services	Sewer Services	Environmental Health Services	Recreation and cultural services	General government services	Capital Region Housing Corporation	2021
Revenue							
Government transfers	\$ 1,970,095	\$ 156,328,016	\$ 925,799	\$ 35,079,241	\$ 55,275,963	\$ 8,823,058	\$ 258,402,172
Sale of services	57,516,795	2,069,125	23,963,993	3,041,915	1,180,921	-	87,772,749
Other revenue	6,508,934	2,272,301	7,954,149	6,245,808	10,881,326	-	33,862,518
Affordable housing - rental income	-	-	-	-	-	19,361,012	19,361,012
Actuarial adjustment of long-term debt	3,437,081	1,425,213	(110,123)	(977,038)	1,771,527	-	5,546,660
	69,432,905	162,094,655	32,733,818	43,389,926	69,109,737	28,184,070	404,945,111
Expenses							
Salaries, wages and benefits	15,114,556	4,086	2,821,078	13,879,511	39,089,753	3,570,342	74,479,326
Contract for services and consultants	2,258,642	5,048,299	9,253,087	558,260	5,139,548	1,088,124	23,345,960
Repairs and maintenance	136,832	366,047	2,000,473	590,576	731,960	1,231,145	5,057,033
Supplies	1,439,862	3,106,714	114,357	987,488	1,904,669	118,992	7,672,082
Utilities	1,231,790	2,584,665	87,172	812,667	536,130	1,886,353	7,138,777
Amortization of tangible capital assets	13,470,525	25,683,277	2,429,223	4,326,434	7,431,094	5,170,130	58,510,683
Interest on debt	3,606,693	7,574,155	47,890	558,482	6,622,247	3,282,707	21,692,174
Other expenses	3,501,531	17,301,191	6,067,762	7,476,921	(2,030,001)	2,006,309	34,323,713
	40,760,431	61,668,434	22,821,042	29,190,339	59,425,400	18,354,102	232,219,748
Annual Surplus	\$ 28,672,474	\$ 100,426,221	\$ 9,912,776	\$ 14,199,587	\$ 9,684,337	\$ 9,829,968	\$ 172,725,363

Notes to the Consolidated Financial Statements continued

21. FINANCIAL RISKS AND CONCENTRATION OF RISK

The District is potentially exposed to credit risk, market and interest rate risk, liquidity risk, and foreign exchange risk from the District's financial instruments. Qualitative and quantitative analysis of the significant risks from the District's financial instruments is provided below by type of risk.

a) CREDIT RISK

Credit risk primarily arises from the District's cash and cash equivalents, accounts receivable and portfolio investments. The risk exposure is limited to their carrying amounts at the date of the consolidated statement of financial position.

Accounts receivable primarily consist of amounts receivable from government organizations, residents and financial institutions. To reduce the risk, the District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2022, the amount of allowance for doubtful debts was \$1,242,165 (2021 - nil). The District historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

b) MARKET AND INTEREST RATE RISK

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the District's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The District manages market risk by holding cash balances with top rated Canadian Schedule I financial institutions. The portfolio investments are managed following the investment policy which is approved by the District's Board of Directors. The District periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment policy.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The District's investments are disclosed in Note 3 and changes in the fair value of investments have parallel changes in unrealized gains or losses until realized on disposal. The District's exposure to interest rate risk in relation to debt instruments is limited to long-term debt and short-term financing. The risk applies only to long-term debt when amortization periods exceed the initial locked-in term. Short-term financing is subject to daily float rates, which can result in variability over the course of short-term financing. Interest rate risk related to debt instruments is managed through budget and cash forecasts. Interest rate risk relating to mortgages is mitigated by the subsidy assistance received from BCHMC and CMHC which is based on mortgage principal and interest payments.

There has been no change to the interest rate risk exposure from 2021.

c) 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 manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

There has been no change to the liquidity risk exposure from 2021.

21. FINANCIAL RISKS AND CONCENTRATION OF RISK continued

d) FOREIGN EXCHANGE RISK

The District has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk.

There has been no change to the foreign exchange risk exposure from 2021.

22. COMPARATIVE INFORMATION

2021 comparative information for affordable housing rental income and affordable housing rental expense on the consolidated statement of operations has been recast to reflect a change in the presentation of rental management fees adopted for the current year by CRHC. Total revenue and total expenses decreased by \$2,426,020 as a result of presenting internally generated rental management fees on a net rather than gross basis. There was no change to prior year annual surplus as a result of the new presentation.

23. SUBSEQUENT EVENTS

a) SALE OF LAND

On January 12, 2023, the District completed the sale of a parcel of land for \$5,000,000. The land was originally acquired through the Capital Region Water Supply and Sooke Hills Protection Act in 1997 at no cost. The land was held for sale with a book value of \$nil as at December 31, 2022

b) GROWING COMMUNITIES FUND

Subsequent to year end, the Province publicly announced the Growing Communities Fund that will provide local governments in the province with one-time funding to address the needs of their growing communities. The District has received \$11,559,000 under this program which will be spent in accordance with the guidelines provided by the Province.

c) RAPID HOUSING INITIATIVE

On April 12, 2023, the District committed to disburse a total of \$24,347,423 under the Rapid Housing Initiative to support three local housing projects. A disbursement of \$6,126,467 was made on the same date as the agreement.

d) PURCHASE OF PROSSER PLACE

On April 17, 2023, the District purchased the residential property Prosser Place for \$17,604,721 and then entered into a 60 year, \$12,289,721 lease agreement and 35 year operating agreement of the property with the CRHC. The CRHC obtained short-term financing from BCHMC to fund the prepaid lease of Prosser Place from the District. The financing will be converted to a 35-year mortgage after being placed with a lender by BCHMC.

Capital Regional District

Schedule of Remuneration & Expenses: Employees

For the year ended December 31, 2022

Name	Position	Salary	Expenses	Total
Achuff, Michael	Environmental Science Officer 2	\$ 83,024	\$ 56	\$ 83,080
Acosta, Guillermo	Technical Services Technician 2	83,337	2,020	85,357
Adams, Douglas	Environmental Science Officer 2	82,151	56	82,207
Alsdorf, Melanie L	Manager SEAPARC Recreation	130,739	930	131,669
Ames, Caroline	Financial Analyst 2	80,771	1,074	81,845
Amyotte, Corinne	Manager Payroll	123,986	1,399	125,385
Anderson, Regan	Senior Financial Officer	78,177	1,195	79,372
Anderson, Sam	Utility Operator Team Lead	105,016	1,718	106,733
Anderson, Sawyer	Water Treatment Operator	79,980	251	80,231
Arnet, Jessica	Property Systems Officer	88,557	1,792	90,349
Arthur, Derek R	Senior Technical Services Technician	101,002	-	101,002
Bader, Mathew	Financial Advisor	89,502	1,046	90,547
Bandringa, Natalie	Research Planner	97,753	124	97,877
Barclay, Jeff	Utility Operator 2	100,018	1,912	101,929
Barnard, Kevin	Environmental Science Officer 2	83,209	56	83,265
Barnes, Michael	Sr. Mgr, Capital Health&PIng Strategies	157,031	76	157,107
Baynes, Carissa	Manager Housing Facilities & Maintenance	102,643	128	102,771
Benjamin, Tom H	Business Systems Analyst	107,782	-	107,782
Bennett, Scott	Manager, Technical Services	135,711	3,603	139,314
Betanzo, Adrian	Engineering Technician 5	89,586	-	89,586
Bewley, Graham	Waterworks/Wastewater Supervisor	125,921	907	126,828
Bezeau, Jean-Paul	GIS Technologist 2	88,364	-	88,364
Biggs, Ryan	Watershed Technician 2	92,361	1,023	93,384
Binks, Rob	Field Supervisor, Water Operations	128,234	1,638	129,871
Binnersley, Lauren	Information Technician 5	86,350	126	86,475
Bird, Aron	Business Systems Analyst	95,331	1,890	97,221
Bissenden, Leigh	Utility Operator 4	95,335	1,504	96,839
Blackwell, Warren	Utility Operator Team Lead	119,902	642	120,544
Blaney, Jennifer	Manager Water Quality Laboratory	126,932	-	126,932
Bona, Martina	Engineer 5	99,448	11,995	111,443
Bonnar, Dustin	Utility Operator 2	87,245	861	88,106
Booth, Monique	Manager Communication Services	126,802	441	127,243
Boutilier, Jesse	Water Treatment Operator	100,982	2,179	103,161
Boyne, Nathan	Fire Warden Protection Assistant	96,713	106	96,819
Bradley, James	Utility Operator 2	95,671	1,137	96,808
Bradley, Julie	GVLRA Executive Director	133,616	-	133,616
Bradstock, Sam	Utility Operator 2	81,278	893	82,170
Brenay, James	Utility Operator 4	104,056	1,760	105,816
Brewster, Lorraine E	Senior Manager, Panorama Recreation	157,043	2,493	159,536

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Bridges, George	Utility Operator 4	95,070	735	95,806
Bridges, Gordie	Utility Operator 4	115,606	936	116,543
Bridgewood, David-John	Senior Financial Officer	94,268	1,166	95,434
Brogan, John	Caretaker	72,797	5,648	78,445
Brooks, Skylar	Utility Operator Team Lead	96,853	540	97,394
Buckland, Nigel	Watershed Technician 2	96,821	834	97,656
Burr, Richard	Utility Operator 3	101,897	1,502	103,400
Burrell, Michael G	GIS Technologist 2	88,630	-	88,630
Burrows, Nigel	Mgr, Wildfire, Security & Emergency Resp	126,932	969	127,901
Bustard, Patrick	Senior Financial Advisor	106,704	1,107	107,811
Butts, John	Utility Operator Team Lead	112,416	1,629	114,045
Byrch, Sharon	Manager Information Services	128,933	1,398	130,331
Byron, Justin	Senior Park Maintenance Worker	77,386	221	77,608
Cain, Cameron	Electrical & Instrumentation Team Lead	138,468	4,567	143,035
Cameron, Ross	Manager Risk & Insurance	135,711	23	135,734
Campbell, Karla	Sr Manager SSI Administration	157,034	680	157,714
Campbell, Sarah	Manager Human Resources & Org Devel	126,959	164	127,123
Cannen, Romulo	Systems Officer	102,299	-	102,299
Carby, Shawn	Senior Manager, Protective Services	157,043	646	157,689
Carey, Steven	Sr Manager Legal and Risk Management	144,201	3,030	147,231
Carlson, Richard	Senior Heavy Duty Mechanic	111,323	1,130	112,453
Carmichael, Doug	GIS Technologist	78,180	1,895	80,075
Ceelen, Scott	Industrial Mechanic	106,687	2,311	108,998
Cessford, Dan	Landfill Attendant 1	85,734	-	85,734
Chamberlin, Luke	Utility Operator Team Lead	90,625	1,488	92,113
Chan, Nelson	Chief Financial Officer	264,300	4,652	268,952
Chapman, Jonathan	Electronics Technologist	108,758	432	109,189
Cheney, Russ	Business Systems Analyst	85,440	-	85,440
Chokkalingam, Senthil	Manager SAP Technical Services	152,129	936	153,065
Cholette, Charles	Engineer 3	90,175	3,870	94,045
Christensen, Maxwell	Systems Analyst	91,596	-	91,596
Chytilova, Vanda	Manager Enterprise Resource Planning	152,133	1,830	153,963
Clayton, Nicole	Senior Accounting Clerk	75,433	-	75,433
Constabel, Annette	Senior Manager, Watershed Protection	169,611	3,061	172,672
Cowley, Malcolm	Manager, Wastewater Eng & Planning	152,129	2,765	154,895
Cranwell, Mark	Building Plumbing Inspector	89,055	1,764	90,819
Cullen, Clayton	Manager Water Transmission Operations	123,385	1,157	124,541
Curnow, Steven	Manager Watershed Protection Operations	126,941	929	127,870
Curtis, Matthew	Manager Facilities & Operations	126,941	1,202	128,143

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Dales, Jason A	Sr Manager Wastewater Infrastructure Ops	135,494	2,471	137,965
Deane, Victor	Manager Water Treatment & Operations	126,849	917	127,766
Deelstra, Christy	Maintenance Management Coordinator	82,088	-	82,088
Delgado Lopez, Francisca	Manager Strategic Planning	128,840	102	128,942
Despins, Marc	Financial Analyst 4	84,653	1,061	85,714
Dixon, Michael Colin	Warehouse Coordinator	79,401	90	79,491
Dobos, Tony	Assistant Bylaw Enforcement Officer	82,044	-	82,044
Dolinsky, Gina	Planning Analyst	81,558	3,221	84,779
Douillard, Jay	Research Planner	94,226	4	94,230
Drew, Brad	Park Facility Coordinator	88,680	603	89,283
Duffey, Darren	Employee Engagement Specialist	103,388	-	103,388
Dunn, Wendy	Environmental Science Officer 2	83,365	1,643	85,008
Dupuis, Jessica	Environmental Science Officer 2	83,228	1,787	85,016
Durkin, Christopher	Industrial Mechanic	122,278	125	122,402
Duthie, Tanya	Manager IWS Administration	92,503	231	92,734
Eam, Sambo	Manager Financial Reporting	127,568	3,881	131,449
Earle, Hayden A	Field Supervisor Water Operations	162,776	1,357	164,134
East, Erica	Systems Officer	90,394	1,029	91,422
Edwards, Kelly	GIS Technologist 2	91,443	378	91,821
Edwards, Natasha	Utility Operator 3	81,427	714	82,142
Egede, Catherine	Manager HR Operations & Business Support	64,044	13,257	77,301
Elliott, Donald	Sr Manager Regional Housing	159,634	2,283	161,917
Elliott, Nicole	Manager Climate Action Programs	111,059	2,011	113,070
Elliyoon, Arezou	Financial Analyst 1	72,105	4,621	76,725
Esterer, John	Engineer 5	112,681	2,086	114,768
Etherington, Andrew	Facility Maintenance Worker 4	75,131	501	75,632
Fafard, Drew	Supervisor Technical Services	156,658	1,904	158,561
Falconer, Kevin	Utility Operator 4	90,022	963	90,985
Farzad, Mahnaz	Senior Project Coordinator	95,652	941	96,593
Fernandez, Carlos	Electronics Technologist	138,949	560	139,509
Ferris, Elizabeth	Manager ERM Policy & Planning	103,225	3,659	106,884
Field, Karley	Financial Analyst 3	73,201	5,105	78,306
Fisher, Kamar	Financial Advisor	88,790	172	88,963
Forbes, Sarah	Program Coordinator	94,516	424	94,940
Fowler, Deanna	Administrative Officer 3	79,580	41	79,621
Fowles, Robert	Manager Construction & Capital Projects	127,559	1,242	128,801
Frame, Duncan (Cameron)	Utility Operator 2	78,006	1,433	79,439
Franklin, Phillip R	Mechanic 4	104,218	2,263	106,481
Freer, Andrew	Park Technician	77,712	6,775	84,487

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Fudge, Crystal	Environmental Technician 2	74,411	698	75,110
Gardner, David	Utility Operator 4	106,611	983	107,594
Gardner, James (Tobi)	Engineer 4	109,578	2,051	111,629
Gaultier, Lauren	Manager HR Systems & Projects	89,390	1,104	90,494
George, Justin	Mechanic 4	96,223	-	96,223
Gillett, Molly	Utility Operator 2	73,203	2,439	75,642
Gilpin, Christopher	Manager Arts and Culture Support Service	105,068	26	105,094
Girard, Rob	Industrial Mechanic	75,712	76	75,789
Girardet, Jeffery A.	Water Maint. Op 4/Heavy Duty Equip. Op.	110,416	1,019	111,435
Glew, Debbie	Clerk 5	77,196	-	77,196
Gorman, Michael (Shayne)	Senior Bylaw Enforcement Officer	82,964	1,960	84,924
Gorman, Rob J	Network Analyst	124,386	-	124,386
Gosper, Damon	Engineer 5	122,611	1,194	123,805
Govan, James	Facility Maintenance Supervisor	102,934	4,217	107,151
Gray, Alexander	Computer Support Technician	75,247	-	75,247
Gray, Jason	Recreation Program Coordinator 3	79,103	179	79,282
Gray, Zoe	Mgr, Website & Multimedia Development	126,941	449	127,390
Green, Dale M	Senior Environmental Science Officer	106,573	668	107,241
Greeno, Matthew	Environmental Analyst	89,723	3,634	93,357
Gregg, Elizabeth	Facility Maintenance Worker 4	75,633	589	76,222
Greig, Rob	Industrial Mechanic	117,326	1,974	119,300
Grigg, Sharon	Manager Operations (CRHC)	135,702	-	135,702
Gripich, James	Information Technician 3	75,738	1,618	77,356
Groulx, Mark	Manager Bylaw Enforcement & Animal Care	124,299	119	124,419
Gullekson, Geoff	Electronics Technologist	124,765	577	125,342
Haas, Tim	Field Supvr Electrical & Instrumentation	148,272	1,283	149,556
Hall, Fraser	Technical Services Technician 4	95,039	1,238	96,277
Hancock, Adam	Park Operations Team Lead	112,441	459	112,900
Hardiman, Laura	Manager Asset Management	130,438	3,275	133,713
Harris, David	Mechanic 4	102,409	1,345	103,754
Harris, Glenn	Sr Manager Environmental Protection	171,531	2,172	173,703
Hawthorne, Scott M	Field Supervisor Waterworks/Wastewater	125,650	2,041	127,691
Hayes, Alesha	Information Technician 3	78,054	355	78,409
Hemus, Burn M	Operations Chargehand	84,562	90	84,652
Henderson, Coral-Lee	Administrative Coordinator 2	90,782	30	90,812
Henderson, Stephen	Sr Manager Real Estate	157,049	3,041	160,090
Hennigan, David	Sr Mgr, Information Technology & GIS	169,504	3,091	172,595
Hicks, John	Transportation Planner	112,615	2,365	114,980
Hliva, Adam	Field Supervisor Waterworks/Wastewater	133,279	856	134,136

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Hogarth, Jarrod	Utility Operator 4	94,824	2,482	97,306
Hoge, Andrew	Manager, Corporate Finance & Treasury	135,702	1,229	136,932
Hoglund, Colleen	Manager Program Services SEAPARC	110,540	592	111,131
Holmes, Jennifer	Supervisor Business Systems Support	95,537	764	96,301
Horhozer, Jocelyn	Utility Operator 2	77,634	990	78,625
Hozack, John	Supervisor Hartland Maintenance & Ops	128,149	1,367	129,516
Huculak, Shauna	Manager Archaeology	90,418	2,778	93,197
Humphries, Elliot	Watershed Technician 2	81,196	610	81,806
Hutcheson, Larisa	GM, Parks & Environmental Services	233,931	3,212	237,143
Iluk, David	Utility Operator Team Lead	101,835	1,689	103,523
Ingraham, Robert N	Manager Corporate Occ Health & Safety	152,114	6,012	158,126
Irg, Shayne	Sr Manager Water Infrastructure Ops	155,855	2,031	157,886
Irwin, Marie	Environmental Science Officer 3	95,033	56	95,089
Jasinsky, Denis	Manager Core Area Wastewater Operations	122,798	1,462	124,259
Jeevanandam, Vimala	Information Technician 2	73,329	2,065	75,394
Jefferies, Andrew	Utility Operator Team Lead	110,037	1,046	111,083
Jenkinson, Carolyn	Manager Executive Administration	97,105	345	97,450
Jesney, Ian	GM Integrated Water Services	174,915	2,554	177,469
Jin, Wenjing (Kate)	Financial Analyst 2	69,096	8,273	77,368
Jo, Kyu-Chang	Senior Financial Advisor	101,380	1,091	102,471
Jobsis, Mark	Systems Officer	101,269	-	101,269
Johansson, Kenneth	Manager Business Systems	135,702	2,481	138,183
Jones, Bethany	Manager Financial Systems & Reporting	135,711	2,647	138,358
Jones, Wayne M	Utility Operator 4	95,386	104	95,490
Kelly, Jared	Manager Capital Projects	110,259	1,858	112,117
Kemle, Kristin	Senior Property Manager	96,012	128	96,140
Kent, Ian	Utility Operator 2	86,743	1,006	87,750
Khan, Usama	Network Analyst	127,782	-	127,782
Kickham, Peter	Manager Environmental Regulations	126,941	323	127,264
Kilvert, Todd	Technical Services Technician 2	83,292	972	84,264
Kim, Kevin (Sang Hyun)	Manager Privacy and FOI	90,056	2,857	87,199
King, Martine	Recreation Program Coordinator 3	80,876	1,581	82,457
Kippan, Robin	Utility Operator 3	90,313	3,081	93,394
Koby, Patrick	Building Inspector 3	86,151	1,681	87,832
Kolic, Joe	Electrician 3	140,369	363	140,732
Kornelson, James	Electrician 2	120,530	1,057	121,587
Kozak, Craig	Utility Operator Team Lead	105,654	245	105,899
Krishna, Sudha	Manager Social Marketing	97,359	16	97,375
Kroening, James R.	Senior Operator 3 Team Lead	113,815	548	114,363

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Kruger, Allan	Senior Operator 2	128,524	1,356	129,879
Kuzman, Michael	Utility Operator 4	125,700	2,223	127,923
Lachance, Rianna	Senior Manager Financial Services	171,060	8,660	179,720
Lagoa, Marlene	Manager Legislative Svcs Dpty Corp Off	119,739	1,657	121,397
Lambert, Katharine (Kate)	Senior Property Manager	87,355	743	88,098
Lapham, Robert	Chief Administrative Officer	372,919	9,992	382,911
Lathigee, Jonathan	Senior GIS Administrator	122,893	24	122,918
Lavigueur, Eric	Maintenance Management Coordinator	83,861	-	83,861
Lawrence, Iain	Sr Manager JdF Local Area Services	149,191	1,376	150,567
Lazaro, Dianne	Systems Officer	100,440	5,697	106,138
Leahy, Jeffrey	Senior Manager, Regional Parks	169,620	2,923	172,543
Lee, Patricia	Senior Financial Officer	94,381	1,310	95,691
Lee, Wendy J	Laboratory Coordinator	83,256	-	83,256
Lemmon, Kimberly	Manager Planning and Development	80,276	-	80,276
Lesperance, Bruce	Maintenance Management Coordinator	81,380	-	81,380
Lindsay, Christopher	Wildfire Security & Emerg Response Asst	80,568	-	80,568
Littlejohn, Warren	Senior Supervisor, Roads	110,974	3,080	114,054
Liu, Andy	Manager, Environmental Engineering	152,028	1,005	153,033
Locke, Henry	Draftsperson 3	83,155	432	83,587
Long, Colleen	Recreation Program Coordinator 2	74,600	412	75,013
Lorette, Kevin	GM, Planning & Protective Services	232,011	1,981	233,991
Lowe, Chris	Environmental Science Officer 4	100,733	831	101,564
Lundrie, Zachary	Recreation Program Coordinator 2	75,782	1,652	77,435
Lynk, Tyler	Utility Operator 4	104,347	1,381	105,728
Lyon, Gordon	Utility Operator 4	93,351	2,664	96,015
Lyons, Shirley	Environmental Science Officer 2	83,292	475	83,767
MacDonald, Colin	Utility Operator Team Lead	69,280	7,713	76,993
MacDonald, Matthew	Financial Analyst 1	71,961	3,613	75,574
MacDonald, Miekeo	Systems Officer	100,618	-	100,618
MacIntyre, Michael	Manager Planning & Development	144,456	536	144,992
Maher, Kelly	Utility Operator 4	95,965	2,092	98,056
Maloney, Jeffrey	Utility Operator Team Lead	114,421	1,453	115,874
Mann, Matt	Maintenance Management Coordinator	83,906	-	83,906
Manning, Anthony	Electrician 2	95,789	1,509	97,298
Marr, Joseph	Sr Manager Infrastructure Engineering	153,679	854	154,533
Martin, Darren W	Database Administrator	147,898	4,195	152,092
Mason, Scott	Manager, Water Engineering & Planning	152,130	1,010	153,139
May, Stephen	Sr Manager, Facilities Mgmt & Eng Serv	169,620	1,076	170,695
McAloon, James A	Engineering Technician 2	82,324	14	82,338

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
McCoubrey, Patrick	Security Chargehand	96,107	1,372	97,479
McCrank, Matthew	Sr Manager Wastewater Infrastructure Ops	113,660	1,355	115,015
McCreesh, Shari	Purchaser	76,898	-	76,898
McDonough, Jeff	Electrician 2	96,737	627	97,364
McIntyre, Shawn	Integrated O&M Planner and Scheduler	101,237	318	101,555
McLorg, Michael F	Senior CAD/GIS Technologist	90,817	-	90,817
McNeill, James	Water Treatment Operator	93,467	1,121	94,588
McPherson, Scott	Utility Operator Team Lead	115,083	213	115,296
McQuarrie, Christine	Manager, Human Resources	135,702	578	136,280
Medland, John (Michael)	Senior Financial Advisor	106,725	1,091	107,816
Medler, Derek	Utility Operator 4	82,574	1,611	84,185
Melling, Andrew	Utility Operator 3	85,576	1,665	87,241
Menzies, Curtis	Utility Operator 4	95,446	5,632	101,077
Michael, Jerry	Administrative Coordinator 2	73,355	3,335	76,691
Middleton, David	Utility Operator Team Lead	95,968	205	96,173
Mildenberger, Jeffrey	Water Treatment Operator	75,288	839	76,127
Milkert, Cory	Environmental Science Officer 2	75,257	4,210	79,467
Miller, Jacey	Industrial Mechanic	121,997	234	122,231
Moch, Christoph	Manager Water Quality	135,711	2,256	137,967
Modak, Lisa	Information Technician 5	88,485	-	88,485
Mooney, John	Manager Park Operations	118,727	283	119,009
Moore, Allan W	Systems Officer	99,864	-	99,864
Moore, Christopher	Environmental Analyst	79,380	308	79,687
Morbey, Nathaniel	Senior Financial Advisor	102,502	1,426	103,928
Morley, Kristen	GM Corporate Services	234,411	6,718	241,128
Moss, Tracey	Manager Visitor Experience & Stewardship	125,346	2,300	127,646
Mullett, David	Water Maint. Op 4/Heavy Duty Equip. Op.	98,562	1,049	99,611
Nakata, Tony	Engineer 5	111,853	50	111,903
Navarrete, Mauricio	Building Services Coordinator	104,977	51	105,027
Neilson, Christopher	Senior Manager Human Resources & Org Dev	193,180	2,714	195,893
Nelson, Douglas	Watershed Operator/Equipment Operator	103,437	-	103,437
Nestor, Cameron	Utility Operator 4	107,409	737	108,146
Nguyen, Huy	Aquatic Ecology Technician 3	88,493	641	89,135
Novy, Lukas	Manager Hartland North Engineering	110,850	3,041	113,891
O'Brien, Kevin	Property Manager 3	76,571	174	76,746
O'Dwyer, Lani	Technical Services Technician 3	90,857	908	91,765
Olafson, Dean	Manager Engineering SSI	125,655	2,405	128,061
Olsen, Elizabeth	Program Assistant 3	75,197	27	75,224
Orr, Andy	Senior Manager, Corporate Communications	157,034	491	157,525

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Oulton, Jason	Program Technician	74,327	1,175	75,502
Ovington, Dan	Manager SSI Parks & Recreation	135,692	2,057	137,749
Pacheco, Joe H	Supervisor Weigh Scale	110,743	244	110,987
Page, Ryan	Utility Operator 4	127,186	3,858	131,043
Panich, Andrea	Environmental Technician 2	78,580	2,085	80,665
Parchem, Jeff	Facility Maintenance Worker 4	77,638	2,825	80,463
Parker, David	Manager, Systems Maintenance	126,941	932	127,873
Parker, Robert	Utility Operator Team Lead	145,704	4,996	150,700
Patade, Rakesh	Systems Officer	100,674	995	101,669
Patel, Mitul	Systems Officer	95,103	995	96,098
Perra, Michael	Systems Officer	78,262	7,097	85,358
Piva, Daniel	Laboratory Coordinator	83,533	611	84,145
Powers, Sceni	Senior Financial Officer	96,918	5,043	101,961
Preece, Cameron	Manager Core Area Conveyance Operations	138,672	468	139,139
Prenger, Nathan	Sr Supvr Wildfire Security & Emerg Resp	101,623	1,159	102,782
Puskas, Dale	Manager, Capital Projects	75,192	-	75,192
Quan, Carson	Network Analyst	116,688	50	116,738
Quayle, Kristin	Information Technician 3	78,820	111	78,931
Ranns, John T.	PRV/CV Mechanic	94,063	1,835	95,898
Reed, Michael	Facility Maintenance Worker (Aux)	78,002	-	78,002
Rees, Pat	Utility Operator Team Lead	104,635	213	104,848
Reimer, Jonathan	Manager Electoral Area Fire & Emerg Prgs	126,932	3,902	130,835
Reimer, Matthew	Field Supervisor Wastewater Operations	120,617	6,994	127,611
Richards, Colin	Watershed Operator/Equipment Operator	75,842	-	75,842
Rilkoff, Jeremiah (Jeremy)	Senior Financial Advisor	77,236	1,091	78,327
Robbins, Ted	Chief Administrative Officer	243,128	1,739	244,866
Roberts, Alison	Information Technician 5	88,485	2,151	90,636
Robertson, Marie	Senior Supervisor, Watershed Operations	111,210	1,216	112,426
Robson, Dan	Manager, Saanich Pen. & Gulf Islands Ops	126,932	1,176	128,109
Roy, Stephen	PRV/CV Mechanic	94,888	258	95,146
Rudolph, Barri-Lynn	Environmental Science Officer 2	83,220	122	83,341
Ruljancich, Shane A	Chief Draftsperson	94,335	374	94,709
Ryan, Barry	Engineering Technician 5	90,208	1,122	91,330
Salter, Brandon	Utility Operator Team Lead	119,821	1,189	121,010
Sandhar, Amrit	Engineering Technician 5	100,489	1,107	101,596
Saprunoff, Dan	Environmental Science Officer 2	83,220	-	83,220
Say, Kimberly	Recreation Program Coordinator 3	79,140	32	79,172
Scaber, Todd	Manager Water Distribution Operations	126,941	1,467	128,408
Scharbach, David	Manager Telecommunications & Automation	124,830	909	125,739

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Scheuer, Darren	Electronics Technologist	120,047	664	120,711
Schoening, Debbie	Financial Analyst 3	79,722	7	79,729
Schubert, Dan	Maintenance Worker Depot	85,998	2,201	88,200
Scott, Sharon	Engineer 4	106,391	692	107,083
Semmens, Benjamin	Manager Financial Planning & Performance	135,711	2,933	138,644
Shannon, Todd	Park Operations Supervisor	120,961	1,541	122,502
Sharp, Allison	Manager, Administrative Services	110,531	998	111,529
Shaw, Ryan	Systems Officer	118,475	2,511	120,986
Sheppard, Rodney K	Utility Operator 4	132,155	1,736	133,891
Shoemaker, Robert D	Environmental Science Officer 1	78,173	1,580	79,753
Shuck, Robert	Environmental Science Officer 3	95,926	1,662	97,588
Simmons, Nicholas	Utility Operator 2	76,342	205	76,548
Sinclair, Emily	Sr Manager Regional & Strategic Planning	165,031	942	165,973
Sladen, Trevor	Utility Operator 4	101,185	995	102,180
Smart, James O.S.	Utility Operator Team Lead	109,147	116	109,263
Smith, Russ	Senior Manager, Env. Resource Management	169,611	2,113	171,724
Smith, Vince	Industrial Mechanic	100,600	983	101,583
Smithson, Michael	Electrician 3	108,084	290	108,374
Smits, Diana	Payroll Coordinator	75,248	-	75,248
Sneek, Jeff	Welder	95,097	238	95,335
Sneek, Lisa J	Recreation Program Coordinator 2	73,523	1,835	75,358
Solomon, Marc	Park Operations Supervisor	124,535	6,197	130,731
Starke, Justine	Manager SGI Service Delivery	120,595	5,363	125,958
Stephens, Patrick	Engineer 5	94,189	2,405	96,595
Stock, Mary	Manager, Human Resources	135,702	876	136,578
Storie, Rob	Building Services Coordinator	135,542	1,831	137,372
Stott, Brad	Utility Operator 4	89,580	1,101	90,681
Stott, Tara	Environmental Analyst	78,632	132	78,764
Sturdy, Luke	Local Utility Operator Team Leader	143,416	1,519	144,935
Sunshine, Michael	Manager Corporate Fleet	126,941	174	127,114
Swan, Ryan	Utility Operator Team Lead	121,466	760	122,226
Taggart, Colette	Environmental Science Officer 2	83,183	225	83,408
Tates, Ron	Field Supervisor Mechanical	76,540	176	76,716
Taylor, Emma	Planner	82,470	3,959	86,430
Taylor, Michael	Manager Building Inspection	134,735	995	135,730
Taylor, Teresa M	Maintenance Management Coordinator	83,976	-	83,976
Tejeda, Alejandro	Senior Developer Analyst	94,642	-	94,642
Teschke, Kyle	Engineer 5	97,764	1,480	99,244
Thomson, James	Senior Project Coordinator	76,011	453	76,464

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Tokgoz, Genevieve	Engineer 5	98,687	4,889	103,576
Tokgoz, Natalie	Manager Water Distrib Eng & Planning	100,709	2,315	103,024
Tradewell, Kelly	Environmental Science Officer 4	92,768	675	93,443
Trent, Lorna	Manager, IT Projects	113,526	2,407	115,933
Tromp, Melanie	Information Technician 5	82,114	-	82,114
Tworuschka, Dylan	Utility Operator 3	78,856	2,265	81,122
Tyler, Jennifer	Environmental Science Officer 3	92,763	92	92,855
Urbanoski, Michael Max	Integrated O&M Planner and Scheduler	101,169	5,097	106,266
Urquhart, Tracy	Information Technician 5	79,725	385	80,109
Ussery, Joel	Manager Resource Planning	135,629	1,146	136,775
Van Buskirk, Amanda	Human Resources Advisor	85,053	2,074	87,126
Van Niekerk, Jan D	Sr Manager Customer & Technical Services	156,941	848	157,788
Vernon, Leona (Caitlyn)	Manager First Nations Relations	127,857	1,437	129,294
Villers, Timothy	Caretaker	73,475	3,190	76,665
Walsh, Stuart	Parks Operations Supervisor	112,006	5,186	117,192
Wang, Robin	Field Supervisor SCADA & Controls	136,969	916	137,885
Ward, Cameron	Park Maintenance Worker 5	75,943	1,676	77,619
Watkins, Tom	Manager Solid Waste Operations	126,941	830	127,771
Watson, Christopher	Building Inspector 2	82,919	2,288	85,207
Watson, Jody L	Environmental Science Officer 4	100,440	1,729	102,169
Watts, Catherine	Aquatic Programs Worker (Aux)	74,481	1,883	76,364
Way, Mark	Facility Maintenance Supervisor	110,901	51	110,952
Weaver, Mike	Field Supervisor Water Treatment Ops	156,933	882	157,815
Wechselberger, Paul	Administrative Clerk 2	79,569	2,853	82,422
Weihing, Doug	Engineering Technician 3	88,485	901	89,385
Werfl, Bryan	Equipment Operator 3	79,938	150	80,088
West, Adam	Facility Maintenance Worker 4	86,304	654	86,958
Westinghouse, Laurel	Senior Financial Advisor	103,080	1,235	104,315
Whipp, Chaz	Manager, Facilities	126,932	3,458	130,390
Whipps, Steven	Field Supervisor Water Operations	137,067	2,180	139,247
Wicker, Brett K	Facility Maintenance Worker 4	75,393	1,867	77,259
Wiebenga, Harry (Ian)	Manager Project Engineering	140,682	1,033	141,716
Williams, Janice	Manager Occupational Health and Safety	123,647	3,427	127,073
Wilson, Kristi D	Demand Management Coordinator	88,594	431	89,025
Wilson, Lynn	Planner	94,564	4,136	98,700
Wood, Sophie	Information Technician 3	78,173	45	78,218
Woodsend, Cameron	Equipment Operator 3	78,752	-	78,752
Wu, Pei (Emma)	Financial Advisor	101,195	6,909	108,104
Wyatt, Trevor	Water Maint Op 4/Heavy Duty Equip Op	100,481	434	100,916

Schedule of Remuneration & Expenses: Employees continued

Name	Position	Salary	Expenses	Total
Wyman, Brent	Recreation Program Coordinator 2	77,301	2,228	79,529
Xu, Liaoxin	Manager Financial Services	129,907	1,640	131,547
Zhang, Yong (Garrett)	Electronics Technologist	109,345	209	109,553
Zou, Bing	Financial Analyst 2	78,100	1,615	79,715
Total of Employees with remuneration of \$75,000 or more		\$ 42,464,671	\$ 590,278	\$ 43,054,950
Total of Employees with remuneration of \$75,000 or less		\$ 25,272,031	\$ 201,475	\$ 25,473,505
Total Employee Remuneration		\$ 67,736,702	\$ 791,753	\$ 68,528,455

Capital Regional District

Schedule of Remuneration & Expenses: Directors & Alternate Directors

For the year ended December 31, 2022

Name	Position	Salary	Allowances	Expenses	Total
ALTO BOND, MARIANNE	Board Director, Victoria	\$ 2,656	\$ 888	\$ -	\$ 3,543
ARMOUR, KENNETH	Board Director, Esquimalt	440		-	440
BATEMAN, JEFF	Alternate Director	1,650		-	1,650
BLACKWELL, DENISE	CRHD Chair	21,302	10,651	81	32,033
BRAITHWAITE, HAZEL	CRHD Chair	220		-	220
BRENT, PAUL	Board Director, SGI EA	28,139	12,695	86	40,920
BRICE, SUSAN	Board Director, Saanich	19,577	9,734	81	29,392
BROWNOFF, JUDITH	Board Director, Saanich	2,106	888	-	2,993
CARADONNA, JEREMY	Board Director, Victoria	1,776	888	-	2,663
COLEMAN, CHRISTOPHER	Board Director, Victoria	1,776	888	-	2,663
DE VRIES, ZAC	Board Director, Saanich	2,958	1,149	-	4,107
DESJARDINS, BARBARA	Board Director, Esquimalt	21,184	10,592	81	31,857
GOODMANSON, SCOTT	Board Director, Langford	1,776	888	-	2,663
HAYNES, FREDERICK	Board Director, Saanich	16,436	7,943	-	24,379
HELPS, LISA	Board Director, Victoria	17,692	8,846	81	26,618
HICKS, MIKE	Electoral Area Director - JDF	42,785	20,677	612	64,074
HOLMAN, GARY	Board Director, SSI EA	44,668	22,334	1,500	68,502
HOWE, DAVID	Electoral Area Director - SGI	19,154	9,577	-	28,731
ISITT, BENJAMIN	Board Director, Victoria	16,876	7,943	-	24,819
JONES, PETER	Board Director, North Saanich	1,776	888	-	2,663
KOBAYASHI, DOUGLAS	Board Director, Colwood	1,886	888	-	2,773
LITTLE, MARIE TERESE	Board Director, Metchosin	1,776	888	-	2,663
LOVEDAY, JEREMY	Board Director, Victoria	18,462	8,846	-	27,308
MARTIN, ROBERT	Board Director, Colwood	15,996	7,943	81	24,020
MCNEIL SMITH, CLIFF	CRHD Acting Chair	19,990	9,995	81	30,065
MERSEREAU, REBECCA	CRD Board Vice Chair	21,962	10,651	123	32,735
MURDOCH, KEVIN	CRHD Chair	19,990	9,995	81	30,065
MURDOCK, DEAN	Board Director, Saanich	1,886	888	-	2,773
ORR, GEOFF	Board Director, North Saanich	15,886	7,943	81	23,910
PLANT, COLIN	CRD Board Chair	34,826	17,358	2,522	54,706
POTTS HALPIN, SARAH	Alternate Director	330		-	330
RANNS, JOHN	Board Director, Metchosin	15,886	7,943	-	23,829
SAHLSTROM, MATT	Alternate Director	440		-	440
SCREECH, DAVID	Board Director, View Royal	17,692	8,846	81	26,618
SEATON, LANNY	Board Director, Langford	15,886	7,943	-	23,829
STOCK, CELIA	Alternate Director	550		-	550
SZPAK, LILLIAN	Board Director, Langford	2,986	888	81	3,954
TAIT, MAJA	CRD Board Vice Chair	19,990	9,995	373	30,357
TAYLOR, EDWARD (NED)	Board Director, Saanich	16,656	7,943	117	24,716

Capital Regional District

Schedule of Remuneration & Expenses: Directors & Alternate Directors

For the year ended December 31, 2022

Name	Position	Salary	Allowances	Expenses	Total
THOMPSON, DAVID	Board Director, Victoria	1,776	888	-	2,663
TOBIAS, DAVID SID	Board Director, View Royal	1,776	888	-	2,663
WICKHEIM, MICHAEL	Board Director, JdF EA	5,989	2,995	-	8,984
WILLIAMS, KENNETH	Board Director, Highlands	17,772	8,831	122	26,724
WINDSOR, RYAN	Board Director, Central Saanich	17,662	8,831	-	26,493
YOUNG, GEOFFREY	Board Director, Victoria	16,546	7,943	40	24,529
Total		\$ 569,537	\$ 276,796	\$ 6,302	\$ 852,635

Capital Regional District

Schedule of Remuneration & Expenses: Committee & Commission Members

For the year ended December 31, 2022

Name	Position	Salary	Allowances	Expenses	Total
BAIRD, GORDON	Water Commission	\$ 440	\$ 220	\$ -	\$ 660
CHAMBERS, NATALIE	Water Commission	367	183	-	550
DUBOW, SHARMARKE	Water Commission	440	220	-	660
DUNCAN, SARA	Water Commission	513	257	-	770
GRAHAM, CHRISTOPHER	Water Commission	1,027	513	-	1,540
HARPER, KAREN	Water Commission	1,393	697	-	2,090
JENSEN, STANLEY	Land Use Committee	440	220	-	660
KAHAKAUWILA, KYARA	Water Commission	440	220	-	660
LOGAN, GORDIE	Water Commission	367	183	-	550
MCCONNELL, VERNON	Land Use Committee	440	220	227	887
MCINTYRE, ROY	Land Use Committee	587	293	-	880
MORRISON, TIMOTHY	Water Commission	440	220	-	660
PATERSON, ESTHER	Water Commission	73	37	-	110
RAMSAY, RONALD	Land Use Committee	513	257	-	770
RISVOLD, DALE	Land Use Committee	440	220	-	660
ROGERS, JOHN	Water Commission	513	257	-	770
SINCLAIR, GEORGE (SANDY)	Land Use Committee	587	293	-	880
ST PIERRE, MARCEL (TONY)	Water Commission	220	110	-	330
WADE, ROGER	Water Commission	513	257	-	770
ZHELKA, ERIC	Water Commission	440	220	-	660
Total		\$ 10,193	\$ 5,097	\$ 227	\$ 15,517

Capital Regional District

Severance Agreements

For the year ended December 31, 2022

There were no severance agreements under which payment commenced between the Capital Regional District and its unionized employees during fiscal year 2022.

Capital Regional District

Schedule of Payments to Suppliers for Goods and Services

For the year ended December 31, 2022

Vendor	Total
0848631 Bc Ltd.	\$ 297,884
0950119 Bc Ltd	49,426
6362222 Canada Inc.	35,280
661314 B.C. Ltd.	84,745
Absolute Energy Inc.	161,483
Accent Refrigeration Systems	28,114
Acklands - Grainger Incorporated	273,670
Acme Supplies Limited	150,011
Advance Tank Centres Ltd.	25,834
Aecom Canada Ltd.	635,914
Alexander Holburn Beaudin	108,995
Allegro Performing Arts Centre	36,265
Alpha Roofing & Cladding Inc	168,566
Als Canada Ltd	51,148
Alumichem Canada Inc	67,460
Amazon	142,060
Andrew Sheret Limited	355,619
Aon Reed Stenhouse Inc.	1,548,771
Apex Steel & Gas Limited	99,339
Apple	76,650
Aqua Irrigation	42,316
Aral Construction (2014) Ltd.	614,058
Arcadis Canada Inc	173,487
Archie Johnstone Plumbing & Heating	157,399
Archipelago Marine Research Ltd	109,530
Arctic Decorating Inc.	153,385
Arrive Consulting	62,685
Associated Engineering (Bc) Ltd	338,416
Associated Fire Safety Equipment	44,843
A-Tech Doors Inc.	69,524
Atlantic Industries Limited	52,686
Aura Cabinet Works Limited	229,949
Aurum Property Care	43,071
Automated Aquatics Canada Ltd.	326,230
Avensys Solutions Inc	100,206

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Axis Mountain Technical Inc.	332,082
Bartlett Tree Experts	159,331
Basic Rock Products Limited	126,758
Bayshore Home Health	31,601
Bc Hydro	5,179,004
Bc Sustainable Energy Association	37,525
Bc Transit	460,872
Beacon Community Association	291,621
Beaver Electrical Machinery Ltd.	54,635
Bee-Clean Building Maintenance Inc	862,754
Bell Media Inc.	31,483
Ben Patterson	103,443
Ben Symons	34,248
Best Buy	28,597
Big Digem Excavating Ltd	32,816
Biomerieux Canada Incorporated	75,575
Black Press Ltd	158,791
Black Tie Property Services	28,938
Boleyn Media Group Inc.	42,215
Brenntag Canada Incorporated	1,528,925
Brent Jansen Plumbing	384,335
Brigitte Prochaska	67,830
British Columbia Ferry Services	59,502
Bruce A. Hampson	46,337
Bry Sand Ice Arena Ltd.	359,201
Bullet Security Cameras, Inc	66,359
Bullfrogcontrol.Com Inc	85,000
Bunzl Cleaning & Hygiene	78,583
Bureau Veritas Canada (2019) Inc.	455,440
Burnside Gorge Community Association	76,707
Butler Brothers Supplies Ltd	90,836
Caird Mechanical Contractors	281,697
Calian Ltd.	38,270
Canadian Linen Supply	70,717
Canadian Springs	74,349

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Canadian Tire	71,883
Canreal Management Corporation Itf	59,229
Cansel Survey Equipment Inc.	39,811
Capital City Paving Limited	766,478
Carrina Maslovat	29,184
Cascadia West Contracting Ltd.	1,974,089
Cb Process Instrumentation	55,920
Cbs Electrical Contractors Ltd.	33,309
Cdw Canada	453,020
Ceangal Professional Consulting, In	212,468
Centralsquare Canada Software Inc.	99,739
Centrix Control Solutions Limited	113,770
Chartech Solutions	75,188
Charter Telecom Inc.	300,486
Chris Vrabel	66,471
Cimco Refrigeration	60,837
Cirro Creative Inc.	34,466
City Green Solutions	78,466
City Of Colwood	57,434
City Of Langford	1,651,618
City Of Nanaimo	31,219
City Of Victoria	2,033,384
Clarke Engineering & Welding Ltd	27,085
Clear Sky Consulting Ltd.	27,300
Coast Utility Contracting Ltd	3,740,080
Coastal Green & Clean	60,052
Colquitz Engineering Ltd	269,601
Columbia Fire & Safety Limited	29,001
Columbia Fuels	265,557
Columbia Promotions	235,912
Community Energy Association	29,765
Community Social Planning Council	398,763
Copcan Civil LP	135,414
Cornerstone Youth Society	37,158
Corrosion Service Company Limited	63,087

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Corvidae Environmental Consulting	33,765
Cottam Enterprises Ltd.	39,271
Cowichan Valley Regional District	62,400
Cp Code Consultants Ltd	36,076
Crest Inc	1,626,225
Crystal Blue Pool Services	65,231
Cummins Western Canada	25,777
Cupe Local 1978	876,132
D B Birch Ltd.	43,952
D. Clark Arboriculture	27,081
Da Silva Garden & Landscaping	44,735
Dacan Plumbing	150,065
Darktrace Holdings Limited	29,752
Datatrain Analytics Inc.	100,485
David Babbage	37,195
Davis Controls	45,000
Dawn Larden	28,457
Depend-A-Dor Repairs & Installation	52,808
Derek Ford Studios	53,996
Devon Transport Ltd.	56,831
Dhkarchitects Inc.	212,439
Diamond Head Consulting Ltd.	62,274
District Of Central Saanich	1,066,507
District Of Metchosin	31,165
District Of North Saanich	344,269
District Of Saanich	7,128,774
District Of Sooke	32,780
DI'S Bins Ltd	2,609,216
Don Mann Excavating Limited	41,709
Downs Construction Limited	250,351
Downtown Appliance Repair	29,158
Durwest Construction Limited	7,845,020
Dynamic Specialty Vehicles	137,141
E B Horsman & Son	80,899
E.H. Emery Electric Ltd.	679,459

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Ecofish Research Ltd.	38,075
E-Comm, Emergency Communications	369,758
Eecol Electric Corp.	37,964
Ellice Recycle Limited	71,432
Em2 Management Solutions, Inc.	64,420
Emco Corporation	1,117,344
Emitterra Environmental	5,334,981
Engineered Pump Systems Ltd	76,721
Engineering For Kids	26,476
Engineers And Geoscientis	29,049
Ernst & Young LLP	64,983
Esc Automation Incorporated	34,079
Esri Canada Limited	105,332
Evolve Engineering Inc.	37,826
Evoqua Water Technologies Ltd	204,485
Excel Contracting Limited	114,174
Fibre Tech Carpet Care Ltd.	37,936
Finishing Touch Painting Ltd	40,348
Finning (Canada)	431,216
First National Financial Lp	154,000
Fisher Scientific Co.	62,394
Fitness Experience	29,614
Five Star Paving Company	266,727
Fix Auto Collision Westshore	73,185
Flagtrux Traffic Control	344,139
Flynn Canada Limited	131,058
Footprints Security Patrol Ltd	88,253
Foreman Equipment Ltd.	29,120
Forest Technology Systems	48,191
Fortis Bc-Natural Gas	496,478
Fountain Tire	127,747
Four Star Waterworks Limited	564,861
Fournier Industries Inc	204,400
Fred Surridge Limited	70,084
Frontline Machinery Ltd.	39,844

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
G&E Contracting L.P.	1,053,719
Galaxy Motors	65,948
Garden City Tree And Landscape Ltd.	210,291
Generous Forest Services	26,671
Geoadvice Engineering Inc.	41,918
Geocycle Canada Inc.	26,021
Georgeson Tug Ltd	32,357
Geo-Tech Industries Inc	37,409
Gescan - Division Of Sonepar	41,256
Gfl Environmental Inc	1,380,478
Ghd Limited	87,828
Glass-Smith & Company Limited	34,845
Glave Strategies	49,244
Global Industrial Canada	39,213
Goldstream Rock Products Ltd	32,944
Goodaswood Tree Care	87,959
Gord Brohman	76,139
Grand & Toy	50,922
Granicus Inc.	52,535
Graphic Office Interiors Limited	731,819
Greater Victoria Labour Relations	219,555
Greatpacific Consulting Ltd	325,512
Green Line Hose & Fittings Ltd	41,225
Green Roots Play Equipment Inc.	271,524
Greenlight Ventures Ltd	34,370
Gregg Distributors Lp	147,519
Griff'S Lawn & Garden Care	25,512
Guillevin International Co.	160,458
Gulf Islands Septic Limited	71,742
Gulf Pacific Itf - Creekside Mall	47,021
Gunnebo Canada Inc.	96,749
Gvlra/Cupe Long Term Disabliltiy	1,044,169
Gw Solutions Inc.	28,658
H.L. Demolition & Waste Management	88,163
H.Y. Engineering Ltd.	52,645

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Hach Sales & Service Canada Ltd	118,688
Harbour Resource Partners LP	1,469,600
Hardal Management Inc.	50,779
Harris Victoria	190,336
Hartland Renewable Resources	2,520,794
Hartland Resource Management General	9,183,421
Hatch Ltd	128,023
Hazmasters Inc.	117,395
Hdr Corporation	74,069
Heightsafe Fall Protection Systems	130,347
Hodge Podge Contracting	44,444
Hoel Contracting Ltd.	531,782
Home Depot Credit Services	37,302
Hootsuite Inc.	27,711
Hoskin Scientific Limited	35,904
Houle Electric Limited	226,751
Hughes Painting	95,369
Iconix Waterworks LP	778,962
Inclusive Excellence Strategy	27,118
Indigenous Perspective Society	70,600
Industra Construction Corp	7,237,371
Industrial Scaffold Services L.P.	82,642
Infosat Communications LP	32,567
Info-Tech Research Group Inc.	89,646
Innov8 Digital Solutions Inc	139,111
Innovyze Inc.	26,967
Insurance Corporation Of BC (ICBC)	263,606
Intact Insurance Company	54,543
Integral Group Consulting (Bc) LLP	37,441
Isco Canada Inc	30,352
Isl Engineering And Land Services	111,319
Island Asphalt Company	126,998
Island Floor Centre Ltd	194,927
Island Junk Solutions Ltd	32,088
Island Key Computer	26,669

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Island Key Computer Limited	1,156,658
Island Pro Homes Ltd	144,105
Island Scales Limited	55,677
Island Temperature Controls Ltd	145,718
Island Tractor & Supply (Canada) Ltd	37,729
Island Window Coverings Limited	75,468
Islandearth Landscape Services Ltd.	439,415
Iwa - Fi Pension & Ltd Plans	228,081
J J Plumbing & Heating	27,915
Jacob Bros. Construction Inc.	5,205,947
Jawl & Bundon In Trust	359,401
Jawl & Bundon LLP	27,922
Jemma Scoble Consulting	65,691
Jenkins Marine Ltd	158,904
Jenner Chevrolet Buick Gmc	111,660
Jesse Brown	32,870
Joe Newell Architects	77,239
John Brooks Company Limited	27,499
John Howard Society Of Victoria	103,603
John Mccrea	82,325
John Wakefield	52,375
Jumelle Consulting Inc.	136,395
Kaeser Compressors Canada Inc.	91,939
Kal Tire	26,954
Kenaidan Contracting Ltd	4,153,551
K'Enes Transportation LLP	444,526
Kerr Wood Leidal Associates Ltd	453,456
Key-2 Auto Parts & Engine Rebuilder	40,491
Kirk & Co. Consulting Ltd	44,313
Klohn Crippen Berger Ltd.	85,708
Kms Tools	34,195
Kms Tools & Equipment Ltd.	61,963
Knappett Projects Inc.	1,315,535
Kone Inc	41,882
KPMG LLP	385,377

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Ksb Pumps, Inc	97,941
Kti Limited	742,085
Lawson Lundell LLP	80,523
Lifestyle Equipment	51,014
Littluniverse Education	35,609
Lordco Auto Parts Ltd	36,106
Low Hammond Rowe Architects	157,310
M & L Painting Ltd	82,436
M3 Mechanical Consultants Inc	44,234
Mac'S Heating Limited	34,372
Madrone Environmental Services Ltd	36,198
M'Akola Housing Society	1,142,880
Mancorp Industrial Sales Ltd	62,214
Manulife Canadian Pooled Real Estat	280,248
Manulife Financial Group Benefits	384,852
Marsh Canada Limited	2,720,052
Mayne Island Recycling Society	77,673
Mcelhanney Associates Land	102,314
Mcelhanney Ltd	785,032
Mcrae'S Environmental Services	626,192
Meadows Development Ltd	47,437
Melody Pender	40,694
Mfr Resolutions Consulting Corp	32,099
Mica Controls Ltd - Bc	37,916
Michael Carrothers	67,739
Michael Vernon	118,844
Microserve	39,354
Microsoft Licensing, Gp	502,766
Milestone Equipment Contracting Inc	140,610
Milner Group Ventures Inc.	88,645
Minister Of Finance	914,470
MNP LLP	78,645
Modern Maintenance	87,864
Molly Black	34,666
Monika Burrell	26,438

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Monk Office	154,829
Mr. Plow Snow Removal Services	90,435
N & N Courier	57,691
Nac Constructors Ltd	2,060,742
Namaste Janitorial Service Inc.	50,385
National Car And Truck Rentals	116,304
Nautilus Environmental	50,495
New Line Hose & Fittings	66,818
North Salt Spring Waterworks	237,169
North West Environmental Group Ltd	93,735
Northwest Fencing Ltd	33,434
Northwest Hydraulic Consultants	317,945
Norton Rose Fulbright Canada LLP	73,648
Number Ten Architectural Group	67,362
Olio Technology Solutions	132,064
On The Island Bath Liners Ltd	133,182
On-Line Ventures Inc	53,714
Onyx Environmental Ltd.	378,000
Optrics Inc	40,279
Orca Health & Safety Consulting Inc	31,800
Orkin Canada Corporation	101,050
Osborne Electro-Mechanics Ltd	96,662
P & R Truck Centre Ltd.	27,018
Pacific Archery Academy	55,530
Pacific Audio Works Ltd.	38,136
Pacific Blue Cross	2,483,312
Pacific Coast Fire Equipment (1976)	125,155
Pacific Flow Control Ltd	52,058
Pacific Gateway Marina	53,623
Pacific Industrial & Marine Ltd.	616,009
Pacific Northwest Raptors	184,894
Paladin Security Group Ltd	253,189
Paradigm Software Llc	113,262
Parsons Inc.	89,685
Pbx Engineering Ltd	94,048

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Pender Islands Fire Protection	44,494
Pender Islands Health Care Society	211,051
Pender Islands Recreation &	25,225
Peninsula Consumer Services Co-Op	55,592
Perfectmind Inc.	56,756
Pete'S Haul A Day	28,387
Pinton Forrest & Madden Group Inc.	102,502
Planetworks Consulting Corporation	28,513
Polaris Land Surveying Inc.	25,295
Power Systems Plus Inc.	30,502
Prairiecoast Equipment Inc.	70,025
Price'S Alarm Systems Ltd.	76,524
Prices Lock & Safe	65,771
Primoris Facilities (Candad) LP	125,000
Prism Engineering Ltd.	49,928
Protelec Security & Safety Ltd	68,295
Psm Safety Ltd.	347,524
Puma Utility Monitoring Inc	38,115
Qca Systems Ltd.	41,885
Qit Canada Inc.	179,200
Quadient Canada Ltd.	156,872
R & L Concrete Coring Limited	47,899
R A Malatest & Associates Ltd	352,577
Radio Works	62,178
Ralmax Contracting Ltd	2,962,763
Ramida Enterprises Ltd.	182,697
Ramtech Environmental Products	144,943
Rapid Plumbing & Heating	32,929
Rcu Auto Parts Ltd.	51,975
Re Anderson Contracting Ltd.	48,572
Read Jones Christoffersen Ltd	42,765
Receiver General For Canada	9,318,627
Reshape Infrastructure Strategies	90,063
Richard M Delaney And Associates	41,771
Rival Rooter	37,013

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Roadmasters Safety Group	28,744
Rob Syverson	68,564
Robbins Parking	40,002
Robbins Parking Service Ltd	237,482
Rocky Mountain Phoenix Inc.	140,578
Rogers	291,167
Rogers Wireless	35,573
Rolling Tides Construction Inc.	38,403
Routeware Inc.	29,008
Royal Roads University	129,552
Rtm Masonry (2022) Ltd.	53,480
Rural Islands Economic Partnership	33,538
Ryzuk Geotechnical	57,565
Salt Spring Arts Council	35,292
Salt Spring Island Search And Rescu	25,482
Sandy Dawn Bath	28,674
Sap Canada Inc	777,598
Saturna Community Club Recycling	38,945
Saturna Island Medical Clinic	32,890
Save-On-Septic Services Inc	148,239
Scansa Construction Ltd	86,751
Scg Process	341,563
School District #63 (Saanich)	32,693
School District #64 (Gulf Islands)	30,004
Scho'S Line Painting Ltd.	29,172
Schwartz Consulting Inc.	41,875
Sea-Bird Electronics Incorporated	33,493
Seca Marine Inc.	61,542
Seismic 2000 Construction Ltd	32,194
Serio Consulting	160,422
Sfc Energy Ltd.	161,219
Sgi Community Resource Centre	110,332
Sgs Axys Analytical Services Ltd	142,313
Shades Tankers (1976) Ltd	26,856
Shaw Cablesystems Gp	159,619

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Sidelines Promotional Products Inc.	80,274
Simpson Controls Ltd	53,942
Slegg Building Materials	108,587
Snc Lavalin Inc.	32,433
Softchoice LP	262,216
Solid Soil Solutions Ltd.	47,048
Solidcad	25,284
Sooke Backhoe Services Ltd.	45,799
Sooke Cabinet Refacing Ltd.	25,622
Sooke Community Association	73,505
Sooke Shelter Society	63,816
Sooke Slinger Service Ltd	333,691
Sorensen Trilogy Structural	32,427
Source Envirosolutions	32,692
Southern Gulf Islands Tourism	43,938
Southpoint Partners Ltd	34,903
Spartan Controls Ltd	25,821
Sperling Hansen Associates	149,912
Spr Traffic Services LP	74,919
Sprung Instant Structures Limited	52,147
Stantec Consulting Limited	1,751,317
Staples	45,590
Stericycle Ulc	25,122
Stewart Mcdannold Stuart	244,858
Stewart Mcdannold Stuart In Trust	3,122,662
Streamline Fencing Ltd.	325,268
Suburban Motors	29,148
Suez Water Technologies	356,694
Summit Valve And Controls Inc.	164,804
Sunbelt Rentals, Inc	121,643
Suncor Energy Products	306,947
Superior North America Inc.	65,310
Surespan Construction Ltd.	269,950
Sylvis Environmental Service Inc	28,977
Synergy Enterprises	33,994

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Td Canada Trust	115,596
Tech Mechanical Systems Limited	26,040
Technical Safety Bc	46,513
Telus	895,928
Tetra Tech Canada Inc	82,278
The Ame Consulting Group	62,658
The Appian Way Traffic Data Service	43,134
The Home Depot	54,361
The Salvation Army Nro Thrift Store	38,022
The University Of British Columbia	55,857
The Victoria Youth Clinic Society	37,056
Thurber Engineering Ltd.	268,140
Times - Colonist	78,815
Top Line Roofing Ltd	74,719
Tower Fence Products Limited	121,667
Town Of View Royal	40,914
Township Of Esquimalt	259,082
Tractor Time Equipment	39,238
Trafx Research Ltd.	25,200
Trail Appliances Ltd.	111,997
Trail Holistics Inc.	26,351
Trane Canada Ulc	801,112
Transition Salt Spring Society	26,000
Triahn Enterprises (2018) Ltd.	289,638
Trimble Europe B.V.	66,843
Triway Seniors Housing Ltd.	15,799,007
Tri-X Excavating Ltd.	710,924
Trustees Of The Usw-Coastal Forest	26,567
Tsawout First Nation	100,407
T'Sou-Ke Nation	32,690
Uline Canada Corporation	113,515
Unified Alloys	61,194
Unitech Construction Management Ltd	3,221,769
United Steelworkers, Local 1-1937	27,946
Univar Canada Ltd	33,771

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
University Of Victoria	101,250
University Of Waterloo	25,000
Van Isle Water	35,914
Van Isle Water Services Limited	70,685
Vancouver Island Health Authority	178,150
Veolia Water Technologies Canada In	38,996
Vi Rentals Ltd.	52,353
Victoria Arts Council	30,000
Victoria Drain Services Ltd	47,207
Victoria Flying Club	67,231
Victoria Mobile Radio Limited	1,049,712
Victoria Pest Control Ltd.	42,619
Victoria Playco Installations	47,460
Victoria Waterjet Ltd.	28,109
Vimar Equipment Ltd	297,325
Vissers Sales Corp	45,130
Vizio Consulting Inc.	156,713
Vwr International Co	61,623
Waste Connections Of Canada Inc	72,463
Waste Management	314,160
Waste 'N Watertech Ltd	131,519
Waterhouse Environmental Services	86,442
Watt Consulting Group	125,911
Wayne'S Tractor Services	100,947
We Consultants & Benefits	44,402
Wesco Distribution Canada LP	269,413
West Bay Mechanical Limited	64,878
West Coast Circuits Limited	141,175
West Coast Cranes Inc.	70,704
West Coast Elevator Services Ltd.	62,434
West Shore Environmental Services	121,722
West Shore Mechanical	111,721
Westbrook Consulting Ltd	49,208
Westburne West	102,440
Western Compensation	37,608

Schedule of Payments to Suppliers for Goods & Services continued

Vendor	Total
Western Equipment Ltd	46,350
Western Tank & Lining Ltd	26,880
Western Water And Gas Products	67,481
Westerra Equipment	32,022
Wex Canada Ltd.	435,977
Wholesale Fire & Rescue Limited	42,642
Williams Engineering	66,348
Wilson'S Transportation Ltd	29,045
Wiser Projects Inc.	58,144
Wsa'Nec' Leadership Council	62,562
Wsp Canada Inc	205,338
Z-Card Canada	27,784
Zoho Canada Corporation	31,002
Total of aggregate payments exceeding \$25,000	\$ 189,560,784
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Consolidated total of payments of \$25,000 or less	\$ 11,427,561
Consolidated total of grants exceeding \$25,000	4,385,668
Consolidated total of contributions exceeding \$25,000	4,498,244
Consolidated total of grants and contributions exceeding \$25,000	\$ 8,883,912
<hr/>	
Total Payments	\$ 209,872,256

Schedule of Payments to Suppliers for Goods & Services continued

<u>Reconciliation to Financial Statements</u>	<u>Amount</u>
Total expenses per PSAB Financial Statements	\$ 259,294,657
Items included for SOFI, excluded in PSAB FS:	
Total Capital Acquisitions	101,769,168
P3 Interest	3,745,227
GST rebates/ITCs (vendor totals inclusive of GST)	6,283,606
Items Included in Financial Statements, excluded in SOFI Schedule:	
Payroll	- 73,911,541
Amortization expense	- 61,321,414
Debt payments: member municipalities and other	- 17,731,457
Loss on sale of assets	- 810,075
Other Non Cash Adjustments in Financial Statements, excluded in SOFI:	
Change in Prepays	68,409
Change in Inventory	- 232,377
Change in Accounts Payable and Accrued Liabilities	- 6,448,974
Change in Landfill Liability	- 758,385
Additional accrued purchase card transactions	81,581
Other	- 156,170
Total Expenses per Financial Statements adjusted for SOFI	\$ 209,872,256
Total Expenses recorded on Schedule of Goods & Services	\$ 209,872,256

Capital Regional District

Schedule of Guarantee & Indemnity Agreements

For the year ended December 31, 2022

NIL

The Capital Regional District has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

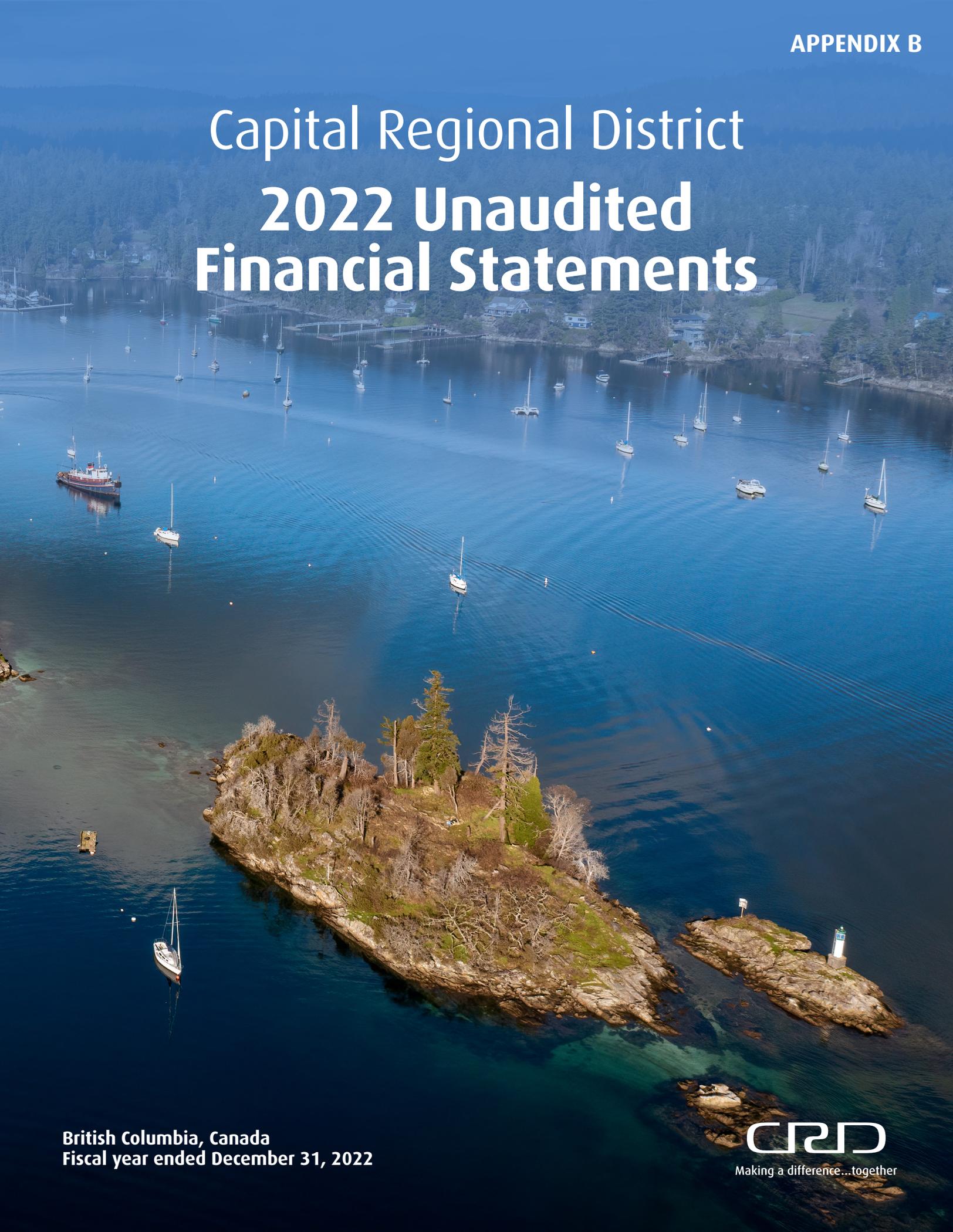


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Capital Regional District 2022 Unaudited Financial Statements



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Consolidated Debt Charges (Unaudited)

For the year ended December 31, 2022

	Principal Payments on Mortgages and Debenture Debt	Principal Payments on Long-Term Non-Debenture Debt	Principal Payments on Short-Term Non-Debenture Debt
GENERAL REVENUE FUND			
Issued by Municipal Finance Authority			
Member municipalities and other	\$ 10,881,251	\$ -	\$ 6,000,000
Capital Regional District	2,788,034	-	
Non-debenture-Capital Regional District	-	146,034	3,010,000
	13,669,285	146,034	9,010,000
SEWER REVENUE FUND			
Issued by Municipal Finance Authority	6,591,711	-	
Non-debenture-Capital Regional District	-	1,784,518	18,000,000
	6,591,711	1,784,518	18,000,000
WATER REVENUE FUND			
Issued by Municipal Finance Authority	6,940,856	-	
Non-debenture-Capital Regional District	-	-	-
	6,940,856	-	-
HOUSING GENERAL REVENUE FUND			
Mortgages Payable	6,138,211	-	
Short Term Capital Financing			2,151,025
	\$ 33,340,063	\$ 1,930,552	\$ 29,161,025

Interest on Mortgages and Long-Term Debt	Interest on Temporary Borrowings	Accrued Debt Charges	2022	2021
\$ 6,870,407	\$ 21,843	\$ -	\$ 23,773,501	\$ 15,366,022
1,208,848	30,792	33,207	4,060,881	3,915,945
		-	3,156,034	1,627,001
8,079,255	52,635	33,207	30,990,416	20,908,968
3,984,292	73,848	(37,756)	10,612,095	9,355,055
3,745,227		-	23,529,745	102,130,237
7,729,519	73,848	(37,756)	34,141,840	111,485,292
3,574,368	7,485	(2,029)	10,520,680	10,748,332
-	-	-	-	-
3,574,368	7,485	(2,029)	10,520,680	10,748,332
3,573,882		-	9,712,093	9,756,451
			2,151,025	61,277,457
\$ 22,957,024	\$ 133,968	\$ (6,578)	\$ 87,516,054	\$ 214,176,499

Capital Regional District

Summary of Long-Term Debt (Unaudited)

For the year ended December 31, 2022

SUMMARY OF LONG-TERM DEBT (Unaudited)

		Outstanding Dec 31/21
General Capital - Debenture	(Schedule B)	\$ 27,282,749
Non-Debenture	(Schedule B)	625,969
Sewer Capital - Debenture	(Schedule C)	110,752,593
Non-Debenture	(Schedule C)	62,044,400
Water Capital - Debenture	(Schedule D)	45,638,859
Non-Debenture	(Schedule D)	-
		<hr/>
		246,344,570
Accrued actuarial valuation - CRD Debt		(3,222,330)
		<hr/>
		243,122,240
Member Municipalities and Other	(Schedule B)	179,542,697
		<hr/>
CRD Total		422,664,937
		<hr/>
CRHC Total		160,242,731
		<hr/>
Consolidated Total		\$ 582,907,668
		<hr/> <hr/>

2022				
Additions	Principal	Sinking Fund	Total Debt Retirement	Outstanding Dec 31/22
3,915,000	\$ (2,788,034)	\$ (704,931)	\$ (3,492,965)	\$ 27,704,784
-	(146,033)	-	(146,033)	479,936
1,000,000	(6,591,711)	(1,370,398)	(7,962,109)	103,790,484
-	(1,784,518)	-	(1,784,518)	60,259,882
-	(6,940,856)	(3,567,180)	(10,508,036)	35,130,823
-	-	-	-	-
4,915,000	(18,251,152)	(5,642,509)	(23,893,661)	227,365,909
		(140,475)	(140,475)	(3,362,805)
4,915,000	(18,251,152)	(5,782,984)	(24,034,136)	224,003,104
11,355,000	(10,881,251)	(3,583,191)	(14,464,442)	176,433,255
16,270,000	(29,132,403)	(9,366,175)	(38,498,578)	400,436,359
4,500,000	(6,138,211)	-	(6,138,211)	158,604,520
\$ 20,770,000	\$ (35,270,614)	\$ (9,366,175)	\$ (44,636,789)	\$ 559,040,879

TOTAL OUTSTANDING DEBT

General Capital (CRD and municipalities)	\$ 204,617,975
Sewer Capital	164,050,366
Water Capital	35,130,823
less accrued actuarial valuation	<u>3,362,805</u>
CRD	400,436,359
CRHC	<u>158,604,520</u>
Total	<u><u>\$ 559,040,879</u></u>

6 | Schedules Long-Term Debt – General Capital Fund (Unaudited)

Issue Date	LA Bylaw	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Regional Parks												
2017	4142	4198	142	2032	560,000	3.150%	434,035	-	30,109	3,779	33,888	400,147
2018	4142	4222	145	2033	4,000,000	3.150%	3,335,252	-	215,066	19,942	235,008	3,100,244
2021	4142	4399	153	2031	1,040,000	2.410%	1,040,000	-	93,899	-	93,899	946,101
2022	4142	4476	157	2032	500,000	3.360%	-	500,000	-	-	-	500,000
Total Regional Parks					6,100,000		4,809,287	500,000	339,074	23,721	362,795	4,946,492
South Galiano Fire												
2022	4239	4476	157	2047	2,100,000	3.360%	-	2,100,000	-	-	-	2,100,000
2022	4239	4503	158	2047	135,000	4.090%	-	135,000	-	-	-	135,000
Total South Galiano Fire					2,235,000		-	2,235,000	-	-	-	2,235,000
Port Renfrew Fire												
2009	3456	3634	106	2024	40,000	2.250%	9,983	-	1,998	1,201	3,199	6,784
Total Port Renfrew Fire					40,000		9,983	-	1,998	1,201	3,199	6,784
Seaparc Golf Course												
2017	4052	4175	141	2032	660,000	2.800%	511,540	-	35,486	4,454	39,940	471,600
Total Seaparc Golf Course					660,000		511,540	-	35,486	4,454	39,940	471,600
Peninsula Recreation - Swimming Pool												
2008	3388	3514	103	2023	5,200,000	2.650%	882,114	-	259,694	172,715	432,409	449,705
2008	3388	3547	104	2023	1,600,000	2.900%	271,419	-	79,906	53,143	133,049	138,370
2009	3388	3594	105	2024	2,198,000	2.250%	548,609	-	109,771	65,976	175,747	372,862
Total Peninsula Recreation - Swimming Pool					8,998,000		1,702,142	-	449,371	291,834	741,205	960,937
Peninsula Recreation - Community Recreation												
2017	4116	4175	141	2032	1,080,000	2.800%	837,065	-	58,068	7,288	65,356	771,709
Total Peninsula Recreation - Community Rec.					1,080,000		837,065	-	58,068	7,288	65,356	771,709
Solid Waste - Refuse Disposal												
2011	3518	3769	116	2026	2,200,000	1.470%	880,884	-	118,099	46,169	164,268	716,616
Total Solid Waste - Refuse Disposal					2,200,000		880,884	-	118,099	46,169	164,268	716,616
Saltspring Island - Library												
2011	3613	3800	117	2026	2,000,000	1.470%	800,803	-	107,363	41,972	149,335	651,468
2013	3613	3910	126	2028	100,000	3.850%	53,982	-	4,994	1,841	6,835	47,147
Total Saltspring Island - Library					2,100,000		854,785	-	112,357	43,813	156,170	698,615

Capital Regional District
 Long-Term Debt: General Capital Fund (Unaudited)
 For the year ended December 31, 2022

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	LA Bylaw	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Gossip Island - Electrification												
2012	3579	3850	121	2027	715,000	2.900%	337,110	-	35,708	15,116	50,824	286,286
Total Gossip Island - Electrification					715,000		337,110	-	35,708	15,116	50,824	286,286
Galiano Island Public Building												
2013	3793	3910	126	2028	310,000	3.850%	167,347	-	15,482	5,706	21,188	146,159
Total Gossip Island - Electrification					310,000		167,347	-	15,482	5,706	21,188	146,159
Galiano Island Fire												
2013	3793	3910	126	2028	290,000	3.850%	156,549	-	14,483	5,338	19,821	136,728
Total Galiano Island Fire					290,000		156,549	-	14,483	5,338	19,821	136,728
North Galiano Fire												
2014	3844	3936	127	2029	280,000	3.300%	169,553	-	13,983	4,418	18,401	151,152
Total North Galiano Fire					280,000		169,553	-	13,983	4,418	18,401	151,152
East Sooke Fire												
2014	3863	3966	130	2029	1,800,000	3.000%	1,089,991	-	89,894	28,400	118,294	971,697
2016	3863	4114	139	2031	150,000	2.100%	107,182	-	8,065	1,284	9,349	97,833
Total East Sooke Fire					1,950,000		1,197,173	-	97,959	29,684	127,643	1,069,530
Land Banking and Housing												
2015	3715	4009	131	2030	9,413,000	2.200%	4,157,316	-	802,377	183,949	986,326	3,170,990
Total Land Banking and Housing					9,413,000		4,157,316	-	802,377	183,949	986,326	3,170,990
911 Call Answer												
2019	4119	4198	147	2034	7,000,000	2.660%	6,235,977	-	376,366	22,921	399,287	5,836,690
2019	4119	4318	149	2034	5,900,000	2.240%	5,256,038	-	317,223	19,319	336,542	4,919,496
Total 911 Call Answer					12,900,000		11,492,015	-	693,589	42,240	735,829	10,756,186
Southern Gulf Island Small Craft Harbour												
2022	4408	4476	157	2042	710,000	3.360%	-	710,000	-	-	-	710,000
2022	4408	4503	158	2042	470,000	4.090%	-	470,000	-	-	-	470,000
Total Southern Gulf Island Small Craft Harbour					1,180,000		-	1,180,000	-	-	-	1,180,000
Total General - Debenture Debt					50,451,000		27,282,749	3,915,000	2,788,034	704,931	3,492,965	27,704,784

Long-Term Debt – General Capital Fund (Unaudited) continued

8 | Schedules *Long-Term Debt – General Capital Fund (Unaudited) continued*

Issue Date	LA Bylaw	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Non-Debenture Debt												
					1,500,000		2,300,000	-	2,300,000	-	2,300,000	-
					710,000		710,000	-	710,000	-	710,000	-
					227,000		134,285	-	44,360	-	44,360	89,925
					545,000		491,684	-	101,673	-	101,673	390,011
Total General - Non-Debenture Debt					2,982,000		3,635,969	-	3,156,033	-	3,156,033	479,936
Total Debt - General					\$ 53,433,000		30,918,718	3,915,000	5,944,067	704,931	6,648,998	28,184,720

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
MUNICIPALITIES											
Victoria											
2003	3026	79	2033	10,000,000	2.250%	5,765,672	-	150,514	211,716	362,230	5,403,442
2003	3026	80	2033	10,000,000	2.850%	5,765,672	-	150,514	211,716	362,230	5,403,442
2004	3026	81	2034	10,000,000	2.850%	6,110,654	-	150,514	194,468	344,982	5,765,672
2007	3467	102	2022	4,509,000	2.250%	389,946	-	225,184	164,762	389,946	-
2008	3515	103	2023	1,800,000	2.650%	305,347	-	89,894	59,786	149,680	155,667
2009	3515	105	2024	1,800,000	2.250%	449,271	-	89,894	54,030	143,924	305,347
2009	3595	105	2024	3,440,015	2.250%	858,610	-	171,798	103,256	275,054	583,556
2010	3515	110	2025	5,200,000	1.280%	1,693,818	-	279,144	122,716	401,860	1,291,958
2011	3770	115	2031	10,200,000	3.890%	6,061,502	-	507,449	-	507,449	5,554,053
2014	3770	130	2034	23,200,000	3.000%	17,046,466	-	779,097	246,141	1,025,238	16,021,228
2016	3770	139	2036	5,500,000	2.100%	4,413,292	-	204,686	32,601	237,287	4,176,005
2017	3770	142	2037	9,600,000	3.150%	8,105,312	-	357,270	44,841	402,111	7,703,201
Total Victoria				95,249,015		56,965,562	-	3,155,958	1,446,033	4,601,991	52,363,571
Central Saanich											
2010	3674	110	2025	1,000,000	1.280%	325,734	-	53,682	23,599	77,281	248,453
2011	3772	116	2026	1,333,333	1.470%	533,869	-	71,575	27,982	99,557	434,312
2015	4032	133	2040	8,523,540	2.750%	7,090,146	-	218,834	50,169	269,003	6,821,143
Total Central Saanich				10,856,873		7,949,749	-	344,091	101,750	445,841	7,503,908
Esquimalt											
2002	2999	78	2022	4,000,000	2.250%	305,686	-	120,970	184,716	305,686	-
2003	3092	80	2023	2,800,000	2.850%	417,771	-	84,680	119,111	203,791	213,980
2004	3198	85	2024	1,256,000	2.250%	274,462	-	37,985	49,077	87,062	187,400
2005	3293	95	2025	2,012,000	0.910%	529,115	-	81,986	44,487	126,473	402,642
2006	3369	99	2026	1,129,000	1.530%	369,830	-	37,914	30,367	68,281	301,549
2007	3464	102	2027	2,353,000	2.250%	907,612	-	79,018	57,816	136,834	770,778
2014	3969	130	2024	1,200,000	3.000%	410,572	-	99,949	31,577	131,526	279,046
2021	4439	156	2051	35,000,000	2.580%	35,000,000	-	829,477	-	829,477	34,170,523
Total Esquimalt				49,750,000		38,215,048	-	1,371,979	517,151	1,889,130	36,325,918

Long-Term Debt – General Capital Fund (Unaudited) continued

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
MUNICIPALITIES											
Saanich											
2003	3051	79	2028	1,500,000	2.250%	615,836	-	31,429	44,208	75,637	540,199
2007	3466	102	2022	2,306,300	2.250%	199,453	-	115,179	84,274	199,453	-
2010	3726	111	2025	1,797,000	3.350%	569,019	-	135,303	-	135,303	433,716
2010	3726	112	2025	1,150,000	1.280%	374,594	-	61,734	27,139	88,873	285,721
2011	3771	114	2026	8,400,000	3.650%	3,314,101	-	616,168	-	616,168	2,697,933
2012	3853	121	2027	750,000	2.900%	353,612	-	337,757	15,855	353,612	-
2014	3968	130	2024	2,400,000	3.000%	821,145	-	199,898	63,154	263,052	558,093
2014	3968	130	2029	4,725,000	3.000%	2,861,227	-	235,972	74,551	310,523	2,550,704
2016	4061	137	2031	8,064,600	2.600%	5,823,366	-	417,949	78,443	496,392	5,326,974
2017	4163	141	2032	2,800,000	2.800%	2,170,170	-	150,546	18,895	169,441	2,000,729
2017	4199	142	2032	3,695,800	3.150%	2,864,469	-	198,711	24,940	223,651	2,640,818
2018	4163	144	2028	836,630	3.410%	543,810	-	83,664	-	83,664	460,146
2019	4283	147	2034	4,605,000	2.660%	4,102,382	-	247,595	15,079	262,674	3,839,708
2019	4319	149	2024	655,000	1.970%	404,554	-	123,372	7,513	130,885	273,669
2019	4319	149	2034	5,910,000	2.240%	5,264,947	-	317,761	19,352	337,113	4,927,834
2020	4361	152	2025	695,000	0.910%	560,781	-	134,219	2,349	136,568	424,213
2020	4361	152	2035	2,585,000	0.910%	2,432,802	-	152,198	2,664	154,862	2,277,940
2021	4400	153	2036	7,200,000	2.410%	7,200,000	-	408,877	-	408,877	6,791,123
2021	4438	156	2036	3,200,000	1.980%	3,200,000	-	181,723	-	181,723	3,018,277
2022	4504	158	2037	5,355,000	4.090%	-	5,355,000	-	-	-	5,355,000
Total Saanich				68,630,330		43,676,268	5,355,000	4,150,055	478,416	4,628,471	44,402,797
Oak Bay											
2003	3095	80	2023	4,715,000	2.850%	703,496	-	142,594	200,575	343,169	360,327
Total Oak Bay				4,715,000		703,496	-	142,594	200,575	343,169	360,327
North Saanich											
2007	3465	102	2032	7,722,907	2.250%	4,330,813	-	185,442	135,684	321,126	4,009,687
2014	3938	127	2029	1,680,000	3.300%	1,017,327	-	83,901	26,507	110,408	906,919
Total North Saanich				9,402,907		5,348,140	-	269,343	162,191	431,534	4,916,606
Sidney											
2007	3414	101	2022	80,000	2.250%	6,918	-	3,995	2,923	6,918	-
2010	3676	110	2035	1,448,000	1.280%	977,147	-	38,798	16,480	55,278	921,869
2011	3801	117	2036	1,073,000	1.470%	763,665	-	28,750	10,827	39,577	724,088
2012	1958	118	2037	479,000	3.400%	357,280	-	11,502	4,869	16,371	340,909
2017	4200	142	2047	3,000,000	3.150%	2,736,190	-	63,058	7,914	70,972	2,665,218
2019	4284	147	2049	2,500,000	2.660%	2,393,327	-	52,548	3,200	55,748	2,337,579
2020	4346	150	2050	3,000,000	1.990%	2,926,050	-	73,950	1,479	75,429	2,850,621
Total Sidney				11,580,000		10,160,577	-	272,601	47,692	320,293	9,840,284
View Royal											
2011	3802	117	2026	2,445,000	1.470%	978,982	-	131,251	51,311	182,562	796,420
2014	3937	127	2034	5,490,000	3.300%	4,033,840	-	184,364	58,246	242,610	3,791,230
Total View Royal				7,935,000		5,012,822	-	315,615	109,557	425,172	4,587,650
Highlands											
2004	3153	81	2024	571,021	2.850%	124,780	-	17,269	22,312	39,581	85,199
2016	4115	139	2026	500,000	2.100%	268,441	-	43,615	6,947	50,562	217,879
Total Highlands				1,071,021		393,221	-	60,884	29,259	90,143	303,078

Long-Term Debt – General Capital Fund (Unaudited) continued

Issue Date	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
MUNICIPALITIES											
Colwood											
2009	3596	105	2022	1,696,000	2.080%	163,311	-	102,003	61,308	163,311	-
2009	3596	105	2023	720,000	2.200%	128,559	-	39,362	23,657	63,019	65,540
2009	3596	105	2024	3,396,000	2.250%	847,624	-	169,600	101,935	271,535	576,089
2012	3852	121	2038	3,710,323	2.900%	2,824,202	-	83,733	35,445	119,178	2,705,024
2016	4060	137	2046	4,501,000	2.600%	4,033,445	-	87,191	16,364	103,555	3,929,890
Total Colwood				14,023,323		7,997,141	-	481,889	238,709	720,598	7,276,543
Sooke											
2006	3360	99	2026	8,800,000	1.530%	2,882,641	-	295,520	236,694	532,214	2,350,427
2007	3413	101.00	2027	617,101	2.250%	238,032	-	20,723	15,163	35,886	202,146
Total Sooke				9,417,101		3,120,673	-	316,243	251,857	568,100	2,552,573
Vancouver Island Regional Library - Sooke											
2022	3915	157	2052	6,000,000	3.360%	-	6,000,000	-	-	-	6,000,000
Total VIRL				6,000,000		-	6,000,000	-	-	-	6,000,000
Total Municipal Debenture				288,630,570		179,542,697	11,355,000	10,881,252	3,583,190	14,464,442	176,433,255
Total General Debenture				50,451,000 -		27,282,749	3,915,000	2,788,034	704,931	3,492,965	27,704,784
Total Debenture				339,081,570		206,825,446	15,270,000	13,669,286	4,288,121	17,957,407	204,138,039
Non-Debenture Debt											
Vancouver Island Regional Library - Sooke				6,000,000		6,000,000	-	6,000,000	-	6,000,000	-
Total VIRL Non-Debenture Debt				6,000,000		6,000,000	-	6,000,000	-	6,000,000	-
Total General Non-Debenture				2,982,000 -		3,635,969	-	3,156,033	-	3,156,033	479,936
Total Non-Debenture Debt				8,982,000 -		9,635,969	-	9,156,033	-	9,156,033	479,936
Grand Total				\$ 348,063,570		\$ 216,461,415	\$ 15,270,000	\$ 22,825,319	\$ 4,288,121	\$ 27,113,440	\$ 204,617,975

Long-Term Debt – General Capital Fund (Unaudited) continued

Long-Term Debt: Sewer Capital Fund (Unaudited)

For the year ended December 31, 2022

Long-Term Debt – Sewer Capital Fund (Unaudited) continued

Issue Date	LA Bylaw	Issue Bylaw	MFAI CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Millstream Site Remediation												
2010	3513	3725	112	2025	288,234	1.280%	93,888	-	15,473	6,802	22,275	71,613
2012	3513	3817	118	2027	200,000	3.390%	94,297	-	90,069	4,228	94,297	-
2013	3513	3882	124	2028	600,000	3.150%	323,899	-	29,965	11,044	41,009	282,890
2013	3513	3910	126	2028	611,766	3.850%	330,250	-	30,552	11,261	41,813	288,437
Total Millstream Site Remediation					1,700,000		842,334	-	166,059	33,335	199,394	642,940
Septage/Composting - Saltspring Island												
2009	3564	3594	105	2024	280,000	2.250%	69,886	-	13,983	8,405	22,388	47,498
2009	3564	3634	106	2024	400,000	2.250%	99,838	-	19,976	12,006	31,982	67,856
2010	3564	3677	110	2025	650,000	1.280%	211,727	-	34,893	15,340	50,233	161,494
2013	3564	3910	126	2028	770,000	3.850%	415,670	-	38,455	14,173	52,628	363,042
Total Septage/Composting - SSI					2,100,000		797,121	-	107,307	49,924	157,231	639,890
Debt - NWT - Macaulay Point/Genset												
2007	3339	3412	101	2022	196,790	2.250%	17,019	-	9,828	7,191	17,019	-
Total NWT - Macaulay Point/Genset					196,790		17,019	-	9,828	7,191	17,019	-
Debt - LWMP Core - NET / ECI Sewer Upgrade (Oak Bay invoice)												
2007	3205	3412	101	2022	7,000,000	2.250%	605,373	-	349,588	255,785	605,373	-
2007	3205	3457	102	2022	3,000,000	2.250%	259,446	-	149,824	109,622	259,446	-
2008	3205	3514	103	2023	1,000,000	2.650%	169,637	-	49,941	33,214	83,155	86,482
2008	3205	3547	104	2023	700,000	2.900%	118,746	-	34,959	23,250	58,209	60,537
Total LWMP Core-NET/ECI Sewer Upg					11,700,000		1,153,202	-	584,312	421,871	1,006,183	147,019
Debt - Craigflower PS Upgrade												
2008	3244	3514	103	2023	80,000	2.650%	13,571	-	3,995	2,657	6,652	6,919
Total Craigflower PS Upgrade					80,000		13,571	-	3,995	2,657	6,652	6,919
Debt- LWMP Core Treatment Facilities												
2008	3461	3547	104	2023	10,000,000	2.900%	1,696,374	-	499,411	332,145	831,556	864,818
Total LWMP Core Treatment Facilities					10,000,000		1,696,374	-	499,411	332,145	831,556	864,818
Debt - Core Sewage Integrated Treatment Facilities												
2010	3615	3677	110	2025	12,000,000	1.280%	3,908,812	-	644,178	283,192	927,370	2,981,442
Total Core Sewage Integrated Trtmnt. Facs.					12,000,000		3,908,812	-	644,178	283,192	927,370	2,981,442

Long-Term Debt – Sewer Capital Fund (Unaudited) continued

Issue Date	LA Bylaw	Issue Bylaw	MFAI CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Debt - Core Area WasteWater Treatment Program												
2013	3887	3910	126	2038	6,100,000	3.850%	4,750,365	-	146,473	53,985	200,458	4,549,907
2018	3887	4253	146	2043	15,000,000	3.200%	13,728,348	-	411,418	38,150	449,568	13,278,780
2019	4204	4282	147	2044	60,000,000	2.660%	56,659,285	-	1,645,672	100,221	1,745,893	54,913,392
2021	4204	4347	155	2031	20,000,000	3.030%	19,000,000	-	2,000,000	-	2,000,000	17,000,000
Total Core Area WasteWater Trtmnt Pgrm.					101,100,000		94,137,998	-	4,203,563	192,356	4,395,919	89,742,079
Debt - Oak Bay - Humber/Rutland												
2007	3332	3412	101	2022	450,000	2.250%	38,917	-	22,474	16,443	38,917	-
Total Oak Bay - Humber/Rutland					450,000		38,917	-	22,474	16,443	38,917	-
Debt - Ganges Sewer (S.S.I.)												
2016	4007	4114	139	2036	350,000	2.100%	280,846	-	13,025	2,075	15,100	265,746
2017	4007	4198	142	2042	1,500,000	3.150%	1,327,878	-	41,142	5,164	46,306	1,281,572
2018	4007	4253	146	2038	1,800,000	3.200%	1,592,946	-	66,988	6,212	73,200	1,519,746
2019	4007	4318	149	2044	250,000	2.240%	236,080	-	6,857	418	7,275	228,805
Total Debt - Ganges Sewer (S.S.I.)					3,900,000		3,437,750	-	128,012	13,869	141,881	3,295,869
Debt - Magic Lake Estates (P.I.)												
2016	4048	4114	139	2026	745,000	2.100%	399,977	-	64,987	10,351	75,338	324,639
2017	4048	4198	142	2027	250,000	3.150%	158,765	-	21,808	2,737	24,545	134,220
2018	4048	4253	146	2028	535,000	3.200%	390,753	-	46,668	4,327	50,995	339,758
2021	4320	4399	153	2051	2,500,000	2.410%	2,500,000	-	59,248	-	59,248	2,440,752
2021	4320	4437	156	2051	1,260,000	1.980%	1,260,000	-	29,861	-	29,861	1,230,139
2022	4320	4476	157	2052	1,000,000	3.360%	-	1,000,000	-	-	-	1,000,000
Total Debt - Magic Lake Estates (P.I.)					6,290,000		4,709,495	1,000,000	222,572	17,415	239,987	5,469,508
Total Sewer - Debenture Debt					149,516,790		110,752,593	1,000,000	6,591,711	1,370,398	7,962,109	103,790,484
MFA Non Debenture Debt												
2021	4204	4252			110,000,000	Variable	13,000,000	5,000,000	18,000,000		18,000,000	-
2021	4374	4424			500,000	Variable	500,000	-	-		-	500,000
2021	4375	4425			1,000,000	Variable	1,000,000	-	-		-	1,000,000
Total Sewer - MFA Non Debenture Debt					207,500,000		14,500,000	5,000,000	18,000,000	-	18,000,000	1,500,000
P3 Agreement Non Debenture Debt												
2021				2040	63,391,394	6.293%	62,044,400	-	1,784,518	-	1,784,518	60,259,882
Total Sewer - P3 Agreement Non Debenture Debt					63,391,394		62,044,400	-	1,784,518	-	1,784,518	60,259,882
Total Sewer - Non Debenture Debt					270,891,394		76,544,400	5,000,000	19,784,518	-	19,784,518	61,759,882
Total Debt - Sewer					\$ 420,408,184		187,296,993	6,000,000	26,376,229	1,370,398	27,746,627	165,550,366

Long-Term Debt – Sewer Capital Fund (Unaudited) continued

Long-Term Debt – Water Capital Fund (Unaudited) continued

Issue Date	LA Bylaw	Issue Bylaw	MFA/ CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Highland Water												
2009	3580	3634	106	2024	250,000	2.250%	62,400	-	12,485	7,505	19,990	42,410
2012	3580	3817	118	2027	150,680	3.400%	71,044	-	7,525	3,185	10,710	60,334
Total Highland water					400,680		133,444	-	20,010	10,690	30,700	102,744
Highland & Fernwood Water (SSI)												
2011	3754	3800	117	2026	500,000	1.470%	200,199	-	26,841	10,493	37,334	162,865
Total Highland water					500,000		200,199	-	26,841	10,493	37,334	162,865
Beddis Water												
2013	3825	3882	124	2028	300,000	3.150%	69,761	-	24,987	9,210	34,197	35,564
2013	3825	3910	126	2023	70,000	3.850%	16,279	-	5,830	2,149	7,979	8,300
Total Beddis Water					370,000		86,040	-	30,817	11,359	42,176	43,864
Fulford Water												
2012	3758	3817	118	2027	145,000	3.400%	68,366	-	7,241	3,065	10,306	58,060
2012	3758	3850	121	2027	25,000	2.900%	11,786	-	1,248	529	1,777	10,009
Total Fulford Water					170,000		80,152	-	8,489	3,594	12,083	68,069
Cedar Lane Water												
2009	3425	3634	106	2024	108,000	2.250%	26,955	-	5,393	3,242	8,635	18,320
Total Cedar Lane Water					108,000		26,955	-	5,393	3,242	8,635	18,320
Magic Lakes Water												
2010	3633	3677	110	2025	723,000	1.280%	235,507	-	38,812	17,062	55,874	179,633
2011	3633	3769	116	2026	250,000	1.470%	100,101	-	13,420	5,246	18,666	81,435
2012	3633	3850	121	2027	559,500	2.900%	263,795	-	27,942	11,828	39,770	224,025
2013	3633	3882	124	2028	1,002,500	3.150%	541,181	-	50,066	18,453	68,519	472,662
2013	3633	3882	126	2028	25,000	3.850%	13,494	-	1,249	460	1,709	11,785
Total Magic Lakes Water					2,560,000		1,154,078	-	131,489	53,049	184,538	969,540
Lyll Harbour/Boot Cove Water												
2009	3587	3634	106	2024	250,000	2.250%	62,399	-	12,485	7,504	19,989	42,410
2010	3587	3677	110	2025	180,000	1.280%	58,634	-	9,663	4,248	13,911	44,723
Total Lyll Harbour/Boot Cove Water					430,000		121,033	-	22,148	11,752	33,900	87,133
Skana Water-Mayne Island												
2007	3090	3457	102	2022	29,200	2.250%	2,526	-	1,459	1,067	2,526	-
Total Skana Water-Mayne Island					29,200		2,526	-	1,459	1,067	2,526	-
Fernwood Water												
2009	3581	3634	106	2024	100,000	2.250%	24,961	-	4,994	3,002	7,996	16,965
2010	3581	3677	110	2025	50,000	1.280%	16,287	-	2,684	1,180	3,864	12,423
2012	3581	3817	118	2027	45,000	3.400%	21,218	-	2,247	951	3,198	18,020
Total Fernwood Water					195,000		62,466	-	9,925	5,133	15,058	47,408
Wilderness Mountain												
2012	3504	3817	118	2027	281,000	3.400%	132,488	-	14,033	5,941	19,974	112,514
Total Port Renfrew Snuggery Cove Water Sys					281,000		132,488	-	14,033	5,941	19,974	112,514

Long-Term Debt – Water Capital Fund (Unaudited) continued

Issue Date	LA Bylaw	Issue Bylaw	MFA/CMHC Issue	Maturity Date	Original Debt	Interest Rate	December 31, 2021 Previous Outstanding	Additions 2022	Principal 2022	Actuarial 2022	Debt Retirement 2022	December 31, 2022 Outstanding
Regional Water Supply												
2007	3419	3514	103	2023	7,000,000	2.650%	1,187,461	-	349,588	232,502	582,090	605,371
2007	3419	3547	104	2023	8,000,000	2.900%	1,357,100	-	399,529	265,716	665,245	691,855
2007	3451	3514	103	2022	60,000,000	2.600%	10,178,244	-	2,996,466	1,992,870	4,989,336	5,188,908
2009	3419	3594	105	2024	9,000,000	2.250%	2,246,351	-	449,470	270,146	719,616	1,526,735
2009	3419	3634	106	2024	1,000,000	2.250%	249,595	-	49,941	30,016	79,957	169,638
2010	3661	3725	112	2025	6,500,000	1.280%	2,117,273	-	348,930	153,395	502,325	1,614,948
2011	3661	3769	116	2026	1,500,000	1.470%	600,603	-	80,522	31,479	112,001	488,602
2012	3661	3817	118	2027	4,500,000	3.400%	2,121,677	-	224,735	95,133	319,868	1,801,809
2013	3661	3882	124	2028	1,700,000	3.150%	917,713	-	84,900	31,291	116,191	801,522
2015	3902	4009	131	2030	3,000,000	2.200%	1,981,613	-	155,475	35,644	191,119	1,790,494
2016	3902	4059	137	2031	1,500,000	2.600%	1,083,133	-	77,738	14,590	92,328	990,805
2018	3902	4222	145	2033	5,000,000	3.150%	4,169,064	-	268,833	24,928	293,761	3,875,303
Total Regional Water Supply					108,700,000		28,209,827	-	5,486,127	3,177,710	8,663,837	19,545,990
Juan De Fuca Water Distribution												
2012	3782	3817	118	2027	2,500,000	3.400%	1,178,708	-	124,853	52,852	177,705	1,001,003
2013	3782	3882	124	2028	4,500,000	3.150%	2,429,242	-	224,735	82,830	307,565	2,121,677
2014	3782	3936	127	2029	5,000,000	3.300%	3,027,751	-	249,705	78,890	328,595	2,699,156
2016	3981	4059	137	2031	2,000,000	2.600%	1,444,180	-	103,650	19,454	123,104	1,321,076
2018	3981	4222	145	2033	3,000,000	3.150%	2,501,439	-	161,300	14,957	176,257	2,325,182
2020	3981	4344	150	2035	5,100,000	1.990%	4,805,090	-	294,910	5,898	300,808	4,504,282
Total Juan De Fuca Water Distribution					22,100,000		15,386,410	-	1,159,153	254,881	1,414,034	13,972,376
Juan De Fuca Water Distribution - DCC												
2007	3164	3412	101	2022	500,000	2.250%	43,241	-	24,971	18,270	43,241	-
Total Juan De Fuca Water Distribution-DCC					500,000		43,241	-	24,971	18,270	43,241	-
Total Water - Debenture Debt					136,343,880		45,638,859	-	6,940,855	3,567,181	10,508,036	35,130,823
MFA Non Debenture Debt												
2022	4394	4463			300,000	Variable	-	300,000	-	-	-	300,000
Total Water - Non Debenture Debt					300,000		-	300,000	-	-	-	300,000
Total Debt - Water					136,643,880		45,638,859	300,000	6,940,855	3,567,181	10,508,036	35,430,823

Long-Term Debt – Water Capital Fund (Unaudited) continued

Revenue Funds Statement of Financial Position (Unaudited)

For the Year Ended December 31, 2022

	2022	2021
Financial Assets		
Cash and cash equivalents	\$ 36,496,253	\$ 113,790,838
Term deposits - short term	309,161,774	183,667,352
Accounts receivable:		
AR - federal government	2,824	22,946
AR - provincial government	-	73,102
AR - local government	-	2,582,711
AR - trade/other	21,892,608	14,226,917
Due to/from own funds	(299,110,507)	(245,621,020)
Due to/from CRHC	425,418	80,748
Other assets:		
Prepaid - CRD	350,863	769,546
Municipal Finance Authority Debt Reserve Fund:		
Capital Regional District	14,452,028	14,793,532
Member Municipalities	10,688,360	10,903,047
	94,359,621	95,289,719
Financial Liabilities		
Accounts payable:		
AP and accrued liabilities - CRD	50,460,373	45,707,743
Due to/from CRHD	107,379	130,801
Other liabilities:		
Sick leave bank	3,138,079	3,146,688
Deferred revenue - CRD	11,054,273	10,700,979
Long-term debt:		
Municipal Finance Authority Debt Reserve Fund:		
Capital Regional District		
Cash deposits - Capital Regional District	4,095,848	4,130,153
Demand notes - Capital Regional District	10,356,178	10,663,377
Member municipalities:		
Cash deposits - Member Municipalities	3,581,033	3,602,567
Demand notes - Member Municipalities	7,107,326	7,300,480
Insurance reserves	2,599,226	2,772,663
	92,499,715	88,155,451
Net Financial Assets	1,859,906	7,134,268
Accumulated remeasurement (losses) / gains	4,114,750	579,083
Accumulated Surplus	\$ 5,974,656	\$ 7,713,351

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the Year Ended December 31, 2022

	Stmt #	2022	2021
General Revenue			
Legislative & General	8	\$ 1,321,019	\$ 1,226,180
Environmental Services	8	60,000	170,000
EA Elections	8	-	-
EA Health	8	89	126
EA UBCM	8	792	1,147
EA Admin	8	67,463	23,620
Saturna Health	8	110	-
Pender Island Health	8	(501)	-
Southern Gulf Islands Grants in Aid	9	(37)	2,714
Salt Spring Island Grants in Aid	9	33,964	56,669
Juan de Fuca Grants in Aid	9	33,575	54,135
CRD Grants in Aid	9	1,482,621	1,457,356
Animal Care	10	-	3,175
Building Inspection	10	-	-
Bylaw Enforcement	10	-	-
Noise Control	10	-	-
Soil Deposits	10	-	-
Nuisances & Unsightly Premises	10	-	-
Traffic Safety	10	61,160	42,359
CREST	10	3,467	1,220
Southern Gulf Islands Emergency Program	11	-	-
Juan de Fuca Emergency Program	11	-	-
Salt Spring Island Emergency Program	11	-	-
Regional Emergency Support	11	35,916	-
Juan de Fuca Search and Rescue	11	-	-
SSI Search and Rescue	11	(762)	7,728
Emergency Response Telephone Service	11	(25,948)	(63,910)
Hazardous Materials	12	-	-
Family Court Committee	12	39,828	157
Victim Assistance Program	12	482	(602)
Family Court Building	12	-	-
Salt Spring Island Street Lighting	12	(922)	(504)

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the Year Ended December 31, 2022

	Stmt #	2022	2021
Port Renfrew Street Lighting	12	1,455	1,520
Juan de Fuca House Numbering	12	153	157
Salt Spring Island House Numbering	12	(21)	(19)
Southern Gulf Islands House Numbering	12	42	43
JDF Livestock Injury Compensation	12	3,053	-
SGL Livestock Injury Compensation	12	3,053	-
SSI Livestock Injury Compensation	12	3,053	-
North Galiano Island Fire Protection	13	17,616	22,486
Otter Point Fire Protection	13	-	-
Port Renfrew Fire Protection	13	-	-
Shirley Fire Protection	13	-	-
Willis Point Fire Protection	13	-	9,919
East Sooke Fire Protection	13	13,628	27,238
Durrance Rd Fire Protection	14	-	-
Malahat Fire Protection	14	589	4
Pender Island Fire Protection	14	-	-
South Galiano Island Fire Protection	14	-	-
Saturna Island Fire Protection	14	(37)	(260)
Electoral Area Fire Protection	14	-	-
Port Renfrew Disposal	15	-	-
Storm Water Quality Management Core	15	-	-
Storm Water Quality Management Southern Gulf Islands	15	-	-
Storm Water Quality Management Sooke	15	-	-
Storm Water Quality Management Salt Spring Island	15	-	-
Storm Water Quality Management Saanich Peninsula	15	-	-
Economic Development Commission Salt Spring Island	16	-	-
Economic Development Commission SGI	16	34,970	2,772
Electoral Area Community Planning	16	-	-
Growth Management Strategy	16	-	-
Regional Planning	16	-	-
Geo Spatial Referencing	16	-	-
GIS Information Systems	16	-	-
Climate Change Development	16	-	-

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the Year Ended December 31, 2022

	Stmt #	2022	2021
Regional Parks	17	184,736	-
Panorama Administration	18	11,966,765	6,028,507
Panorama Ice Arena	18	(4,081,127)	(2,259,755)
Panorama Swimming Pool	18	(3,377,933)	(1,563,176)
Panorama Community Recreation Programs	18	(3,141,655)	(1,522,551)
Panorama Second Pool Service	18	(1,366,050)	(683,025)
Juan de Fuca Parks	19	25	25
Juan de Fuca Curling Rink	19	(76)	(76)
Juan de Fuca Public Building/Tech Wing	19	873	873
SEAPARC	20	54,750	-
Juan de Fuca Electoral Area Community Parks	21	-	2,455
Juan de Fuca Electoral Area Community Recreation	21	-	-
Salt Spring Island Community Recreation	22	(27,737)	-
Salt Spring Island Community Parks	22	(75,757)	-
Salt Spring Island Community Pool	22	(41,831)	-
Salt Spring Island Park Land and Community Recreation	22	-	-
Galiano Island Community Parks	23	-	-
Galiano Island Community Recreation	23	31	678
Mayne Island Community Recreation	23	17,132	13,734
Mayne Island Community Parks	23	18,783	16,041
Pender Island Community Recreation	23	-	-
North & South Pender Island Parks	23	3,288	2,972
Saturna Island Community Parks	23	-	-
Saturna Island Community Recreation	23	4,638	10,390
Vancouver Island Regional Library	24	72	141
Royal Theatre	24	-	-
McPherson Theatre	24	-	-
Sooke Regional Museum	24	47	200
Greater Victoria Library	24	16	524
Salt Spring Island Library	24	-	-
Southern Gulf Island Library	24	1,259	1,335
Galiano Island Library	24	3,042	-
Arts Development	24	-	-

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the Year Ended December 31, 2022

	Stmt #	2022	2021
Salt Spring Island Arts	24	(576)	(1,552)
Local Debt Services	25	-	-
Gossip Island Electricity	25	(593)	142
Land Bank and Housing	26	2,586,214	4,365,244
Southern Gulf Islands Small Craft Harbours	27	-	-
Salt Spring Island Small Craft Harbours	27	-	-
Salt Spring Island Transit and Transport	27	-	-
Sewer Revenue Funds			
Salt Spring Island Septage Disposal	28	-	-
Trunk Sewers and Sewage Disposal Operations and Maintenance	28	-	64,441
Trunk Sewers and Sewage Disposal Debt	28	65,093	69,682
Ganges Sewer System	28	-	-
Malaview Estates Sewer System	28	-	-
Magic Lake Estates Sewer System	28	(4,529)	(7,772)
Port Renfrew Sewer System	28	-	-
Harbours Environmental Action	28	-	-
Core Area Wastewater Operations	28	-	197,345
Water Revenue Funds			
Fernwood Water Supply	29	46	14
Magic Lake Estates Water Supply	29	-	-
Port Renfrew Water Supply	29	-	-
Saanich Peninsula Water Supply	29	-	-
Highland Water Supply	29	118	29
Lyll Harbour/Boot Cove Water Supply	29	-	(4,737)
Sticks Allison Galiano Island Water Supply	29	-	(9,984)
Highland/Fernwood Water Supply	29	-	(44,133)
Florence Lake Debt	29	(4,278)	-
Skana Water Supply	30	-	-
Surfside Water Supply	30	-	-
Beddis Water Supply	30	-	-
Fulford Water Supply	30	-	-
Cedars of Tuam Supply	30	-	-
Cedar Lane Water Supply	30	-	(10,090)

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Revenue Funds Statement of Surplus/Deficit (Unaudited)

For the Year Ended December 31, 2022

	Stmt #	2022	2021
Regional Water Supply	30	-	-
Regional Water Distribution	30	-	-
		\$ 5,974,656	\$ 7,713,351

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

General Government Services

For the Year Ended December 31, 2022

	Legislative & General	Environmental Services	EA Elections	EA Health
Revenue				
Government transfers	\$ 11,868,409	\$ -	\$ 65,491	\$ 135,596
Sale of services:				
Recreation revenue	102,212	-	-	-
Other revenue from own sources:				
Interest earnings	215,089	-	1,292	103
Other revenue	2,191,649	21,958	89,707	-
Grants in lieu of taxes	487,319	-	84	90
Total Revenue	14,864,678	21,958	156,574	135,789
Expenses				
General administration	13,346,495)	1,765,620	2	2,585
Grants in aid	-	-	-	-
Other operating expenses	8,700,420	(15,191,605)	81,449	133,127
Salaries and wages	19,136,741	17,001,672	54,506	-
Recoveries	(3,581,535)	(4,326,885)	-	-
Total Expenses	10,909,131	(751,198)	135,957	135,712
Net Revenue (Expenses)	3,955,547	773,156	20,617	77
Transfers to own funds:				
Transfers to capital	921,915	81,019	-	-
Transfers to reserve	3,402,491	143,937	143,037	-
Transfers to ERF	600,367	658,200	-	-
Transfers from revenue	-	-	-	-
Transfers from reserve	(1,087,200)	-	(122,457)	-
Debt charges:				
Interest on short term debt	23,135	-	37	114
Annual Surplus (Deficit)	94,839	(110,000)	-	(37)
Accumulated surplus (deficit), beginning of year	1,226,180	170,000	-	126
Accumulated Surplus, end of year	\$ 1,321,019	\$ 60,000	\$ -	\$ 89

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

General Government Services

For the Year Ended December 31, 2022

EA UBCM	EA Admin	Saturna Health	Pender Island Health	2022 Budget	2022 Actual	2021 Actual
\$ 11,722	\$ 985,999	\$ 31,389	\$ 225,987	\$ 13,126,591	\$ 13,324,593	\$ 12,322,545
-	-	-	-	84,880	102,212	68,551
17	5,201	110	8	186,100	221,820	178,301
-	10,530	-	-	2,275,833	2,313,844	2,389,702
26	4,069	2,152	-	493,740	493,740	459,574
11,765	1,005,799	33,651	225,995	16,167,144	16,456,209	15,418,673
645	92,236	651	4,431	(10,058,219)	(11,480,325)	(10,740,529)
-	-	-	-	94,068	-	-
11,371	83,700	32,890	206,551	18,501,113	(5,942,097)	(8,842,849)
-	970,033	-	-	41,665,695	37,162,952	33,767,130
-	(205,206)	-	-	(31,805,988)	(8,113,626)	(6,911,985)
12,016	940,763	33,541	210,982	18,396,669	11,626,904	7,271,767
(251)	65,036	110	15,013	(2,229,525)	4,829,305	8,146,906
-	154	-	-	453,840	1,003,088	2,143,536
-	40,231	-	14,435	806,228	3,744,131	4,342,847
-	16,961	-	-	669,292	1,275,528	1,767,775
-	-	-	-	-	-	(452,398)
-	(40,250)	-	-	(2,756,032)	(1,249,907)	(264,035)
104	4,097	-	1,079	18,219	28,566	-
(355)	43,843	110	(501)	(1,421,072)	27,899	609,181
1,147	23,620	-	-	1,421,072	1,421,072	1,060,027
\$ 792	\$ 67,463	\$ 110	\$ (501)	\$ -	\$ 1,448,971	\$ 1,669,208

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Grants-In-Aid

For the Year Ended December 31, 2022

	Southern Gulf Islands Grants in Aid	Salt Spring Island Grants in Aid	Juan de Fuca Grants in Aid
Revenue			
Government transfers	\$ 184,585	\$ 50,056	\$ 70,000
Sale of services:			
Other revenue from own sources:			
Interest earnings	649	1,076	1,198
Grants in lieu of taxes	1,089	36	-
Total Revenue	186,323	51,168	71,198
Expenses			
General administration	5,174	2,834	3,253
Grants in aid	103,351	71,039	18,505
Other operating expenses	80,000	-	70,000
Total Expenses	188,525	73,873	91,758
Net Revenue (Expenses)	(2,202)	(22,705)	(20,560)
Debt charges:			
Interest on short term debt	549	-	-
Annual Surplus (Deficit)	(2,751)	(22,705)	(20,560)
Accumulated surplus (deficit), beginning of year	2,714	56,669	54,135
Accumulated Surplus (Deficit), end of year	\$ (37)	\$ 33,964	\$ 33,575

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Grants-In-Aid

For the Year Ended December 31, 2022

	CRD Grants in Aid	2022 Budget	2022 Actual	2021 Actual
	\$ -	\$ 154,641	\$ 304,641	\$ 540,682
	40,265	20,590	43,188	22,870
	-	1,125	1,125	700
	40,265	176,356	348,954	564,252
	-	11,261	11,261	6,824
	15,000	1,735,171	207,895	286,580
	-	-	150,000	178,577
	15,000	1,746,432	369,156	471,981
	25,265	(1,570,076)	(20,202)	92,271
	-	800	549	-
	25,265	(1,570,876)	(20,751)	92,271
	1,457,356	1,570,876	1,570,874	1,478,603
	\$ 1,482,621	\$ -	\$ 1,550,123	\$ 1,570,874

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - General A

For the Year Ended December 31, 2022

	Animal Care	Building Inspection	Bylaw Enforcement	Noise Control
Revenue				
Government transfers	\$ 447,012	\$ 453,768	\$ -	\$ 39,711
Sale of services:				
Recreation revenue	28,510	42,633	-	-
Other sales	727,303	-	31,258	-
Other revenue from own sources:				
Interest earnings	248	34,301	7,425	225
Other revenue	282,893	1,344,221	1,475	-
Grants in lieu of taxes	11,770	1,802	-	160
Total Revenue	1,497,736	1,876,725	40,158	40,096
Expenses				
General administration	80,003	163,267	33,883	1,957
Other operating expenses	410,847	300,569	(456,568)	32,117
Salaries and wages	1,004,989	1,033,144	455,667	-
Recoveries	-	(30,076)	-	-
Total Expenses	1,495,839	1,466,904	32,982	34,074
Net Revenue (Expenses)	1,897	409,821	7,176	6,022
Transfers to own funds:				
Transfers to capital	20,000	3,494	-	-
Transfers to reserve	-	402,562	-	5,920
Transfers to ERF	573	70,000	7,176	-
Transfers from own funds:				
Transfers from reserve	(22,493)	(66,235)	-	-
Debt charges:				
Interest on short term debt	6,992	-	-	102
Annual Surplus (Deficit)	(3,175)	-	-	-
Accumulated surplus (deficit), beginning of year	3,175	-	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - General A

For the Year Ended December 31, 2022

Soil Deposits	Nuisances & Unsightly Premises	Traffic Safety	CREST	2022 Budget	2022 Actual	2021 Actual
\$ 5,682	\$ 53,062	\$ 72,511	\$ 2,105,400	\$ 3,177,147	\$ 3,177,146	\$ 3,097,237
-	-	-	-	47,510	71,143	48,552
-	-	-	-	502,733	758,561	503,406
53	318	1,609	8,931	8,930	53,110	15,570
-	-	-	-	1,439,800	1,628,589	1,929,009
-	213	3,358	102,408	119,711	119,711	118,750
5,735	53,593	77,478	2,216,739	5,295,831	5,808,260	5,712,524
566	2,600	6,883	8,830	297,989	297,989	263,027
2,669	43,742	51,794	2,196,003	3,255,133	2,581,173	2,900,961
-	-	-	-	2,306,926	2,493,800	2,080,900
-	-	-	-	(540,501)	(30,076)	(474,795)
3,235	46,342	58,677	2,204,833	5,319,547	5,342,886	4,770,093
2,500	7,251	18,801	11,906	(23,716)	465,374	942,431
-	-	-	-	6,320	23,494	18,419
2,489	6,980	-	-	23,300	417,951	730,295
-	-	-	-	66,960	77,749	209,194
-	-	-	-	(88,728)	(88,728)	-
11	271	-	9,659	12,010	17,035	-
-	-	18,801	2,247	(43,578)	17,873	(15,477)
-	-	42,359	1,220	43,578	46,754	62,231
\$ -	\$ -	\$ 61,160	\$ 3,467	\$ -	\$ 64,627	\$ 46,754

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - General B

For the Year Ended December 31, 2022

	Southern Gulf Islands Emergency Program	Juan de Fuca Emergency Program	Salt Spring Island Emergency Program	EA Emergency Program Coordinator
Revenue				
Government transfers	\$ 266,347	\$ 105,000	\$ 141,460	\$ 147,813
Sale of services:				
Other sales	-	-	-	-
Other revenue from own sources:				
Interest earnings	1,687	548	756	1,125
Other revenue	142	-	-	-
Grants in lieu of taxes	2,566	135	91	597
Total Revenue	270,742	105,683	142,307	149,535
Expenses				
General administration	12,856	3,847	6,955	46,872
Other operating expenses	172,404	68,669	104,554	40,832
Salaries and wages	16,859	6,059	11,115	507,824
MFA reserve	-	-	-	-
Recoveries	-	-	-	(468,860)
Total Expenses	202,119	78,575	122,624	126,668
Net Revenue (Expenses)	68,623	27,108	19,683	22,867
Transfers to own funds:				
Transfers to reserve	67,833	11,880	10,000	10,000
Transfers to ERF	-	14,892	11,162	25,042
Transfers from own funds:				
Transfers from reserve	-	-	(2,000)	(12,674)
Debt charges:				
Interest on short term debt	790	336	521	499
Interest on long term debt	-	-	-	-
Principal	-	-	-	-
Annual Surplus (Deficit)	-	-	-	-
Accumulated surplus (deficit), beginning of year	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - General B

For the Year Ended December 31, 2022

Regional Emergency Support	Juan de Fuca Search and Rescue	SSI Search and Rescue	Emergency Response Telephone Service	2022 Budget	2022 Actual	2021 Actual
\$ 131,886	\$ 69,952	\$ 24,955	\$ (129,479)	\$ 708,996	\$ 757,934	\$ 1,073,113
-	-	-	130,759	127,338	130,759	124,960
578	1,270	62	5,228	5,090	11,254	2,035
-	65,237	-	2,119,706	2,165,237	2,185,085	2,144,393
7,324	107	17	(26,850)	(16,036)	(16,013)	(24,981)
<u>139,788</u>	<u>136,566</u>	<u>25,034</u>	<u>2,099,364</u>	<u>2,990,625</u>	<u>3,069,019</u>	<u>3,319,520</u>
11,858	4,244	1,415	110,469	198,516	198,516	198,509
42,258	72,665	31,978	1,627,161	2,217,892	2,160,521	2,504,185
105,339	-	-	-	688,166	647,196	602,128
-	-	-	3,024	2,690	3,024	2,264
-	-	-	(677,496)	(1,172,304)	(1,146,356)	(1,147,676)
<u>159,455</u>	<u>76,909</u>	<u>33,393</u>	<u>1,063,158</u>	<u>1,934,960</u>	<u>1,862,901</u>	<u>2,159,410</u>
(19,667)	59,657	(8,359)	1,036,206	1,055,665	1,206,118	1,160,110
-	-	-	1,860	25,680	101,573	138,662
-	59,513	-	50,810	100,468	161,419	164,595
(56,199)	-	-	71,541	(142,414)	(142,414)	(70,366)
616	144	131	5,166	3,800	8,203	-
-	-	-	318,360	318,360	318,360	318,360
-	-	-	693,589	693,589	693,589	693,589
<u>35,916</u>	<u>-</u>	<u>(8,490)</u>	<u>37,962</u>	<u>56,182</u>	<u>65,388</u>	<u>(84,730)</u>
-	-	7,728	(63,910)	(56,182)	(56,182)	28,548
<u>\$ 35,916</u>	<u>\$ -</u>	<u>\$ (762)</u>	<u>\$ (25,948)</u>	<u>\$ -</u>	<u>\$ 9,206</u>	<u>\$ (56,182)</u>

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - General C

For the Year Ended December 31, 2022

	Hazardous Materials	Family Court Committee	Victim Assistance Program	Family Court Building	Salt Spring Island Street Lighting	Port Renfrew Street Lighting	Juan de Fuca House Numbering
Revenue							
Government transfers	\$ 323,093	\$ 15,000	\$ 285,193	\$ -	\$ 26,668	\$ 3,485	\$ 12,902
Sale of services:							
Other sales	-	-	-	-	-	3,654	-
Other revenue from own sources:							
Interest earnings	1,110	953	436	2	57	31	36
Other revenue	3,290	-	-	149,360	-	179	-
Grants in lieu of taxes	17,982	878	15,358	-	16	75	20
Total Revenue	345,475	16,831	300,987	149,362	26,741	7,424	12,958
Expenses							
General administration	17,097	318	5,850	2,750	1,300	444	645
Other operating expenses	287,758	(23,558)	292,500	(281)	25,708	7,039	12,258
Salaries and wages	19,731	400	-	-	-	-	-
Total Expenses	324,586	(22,840)	298,350	2,469	27,008	7,483	12,903
Net Revenue (Expenses)	20,889	39,671	2,637	146,893	(267)	(59)	55
Transfers to own funds:							
Transfers to reserve	20,147	-	-	146,827	-	-	-
Transfers to ERF	9,560	-	-	-	-	-	-
Transfers from reserve	(10,633)	-	-	-	-	-	-
Debt charges:							
Interest on short term debt	1,815	-	1,553	66	151	6	59
Annual Surplus (Deficit)	-	39,671	1,084	-	(418)	(65)	(4)
Accumulated surplus (deficit), beginning of year	-	157	(602)	-	(504)	1,520	157
Accumulated Surplus (Deficit), end of year	\$ -	\$ 39,828	\$ 482	\$ -	\$ (922)	\$ 1,455	\$ 153

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - General C

For the Year Ended December 31, 2022

Salt Spring Island House Numbering	Southern Gulf Islands House Numbering	JDF Livestock Injury Compensation	SGL Livestock Injury Compensation	SSI Livestock Injury Compensation	2022 Budget	2022 Actual	2021 Actual
\$ 9,586	\$ 9,335	\$ 3,150	\$ 3,150	\$ 3,150	\$ 694,712	\$ 694,712	\$ 666,956
-	-	-	-	-	3,654	3,654	3,071
24	25	54	54	54	410	2,836	(582)
-	-	-	-	-	149,600	152,829	149,555
-	97	-	-	-	34,426	34,426	33,304
9,610	9,457	3,204	3,204	3,204	882,802	888,457	852,304
473	467	150	150	150	29,794	29,794	28,626
9,093	8,948	-	-	-	693,904	619,465	632,077
-	-	-	-	-	11,470	20,131	20,328
9,566	9,415	150	150	150	735,168	669,390	681,031
44	42	3,054	3,054	3,054	147,634	219,067	171,273
-	-	-	-	-	146,610	166,974	166,570
-	-	-	-	-	9,560	9,560	9,560
-	-	-	-	-	(10,633)	(10,633)	-
46	43	1	1	1	2,849	3,742	-
(2)	(1)	3,053	3,053	3,053	(752)	49,424	(4,857)
(19)	43	-	-	-	752	752	5,609
\$ (21)	\$ 42	\$ 3,053	\$ 3,053	\$ 3,053	\$ -	\$ 50,176	\$ 752

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - Fire A

For the Year Ended December 31, 2022

	N. Galiano Island Fire Protection	Otter Point Fire Protection	Port Renfrew Fire Protection	Shirley Fire Protection
Revenue				
Government transfers	\$ 197,323	\$ 515,837	\$ 91,871	\$ 158,439
Sale of services:				
Recreation revenue	-	-	-	-
Other sales	-	-	61,610	-
Other revenue from own sources:				
Interest earnings	1,017	1,781	530	488
Other revenue	-	-	11,018	-
Grants in lieu of taxes	507	-	966	-
Total Revenue	198,847	517,618	165,995	158,927
Expenses				
General administration	7,503	17,108	6,029	4,159
Other operating expenses	61,949	313,157	101,761	76,113
Salaries and wages	75,147	4,984	31,863	20,732
MFA reserve	155	-	12	-
Total Expenses	144,754	335,249	139,665	101,004
Net Revenue (Expenses)	54,093	182,369	26,330	57,923
Transfers to own funds:				
Transfers to capital	-	4,865	-	-
Transfers to reserve	5,000	40,800	-	21,301
Transfers to ERF	4,315	134,330	23,095	36,000
Transfers from own funds:				
Debt charges:				
Interest on short term debt	777	2,374	337	622
Interest on long term debt	20,405	-	900	-
Principal	28,466	-	1,998	-
Annual Surplus (Deficit)	(4,870)	-	-	-
Accumulated surplus (deficit), beginning of year	22,486	-	-	-
Accumulated Surplus, end of year	\$ 17,616	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - Fire A

For the Year Ended December 31, 2022

Willis Point Fire Protection	East Sooke Fire Protection	2022 Budget	2022 Actual	2021 Actual
\$ 134,099	\$ 454,930	\$ 1,552,500	\$ 1,552,499	\$ 1,513,902
-	68,702	45,000	68,702	46,827
-	-	61,610	61,610	59,231
1,111	4,501	2,900	9,428	7
41,029	25,374	58,240	77,421	85,581
-	-	1,473	1,473	1,248
<u>176,239</u>	<u>553,507</u>	<u>1,721,723</u>	<u>1,771,133</u>	<u>1,706,796</u>
6,174	11,367	52,340	52,340	45,895
82,138	153,227	876,392	788,345	716,812
11,355	15,438	216,300	159,519	149,222
-	510	600	677	506
<u>99,667</u>	<u>180,542</u>	<u>1,145,632</u>	<u>1,000,881</u>	<u>912,435</u>
76,572	372,965	576,091	770,252	794,361
-	23,656	28,200	28,521	18,594
7,500	-	78,300	74,601	99,866
78,495	206,801	318,055	483,036	457,291
496	1,009	4,300	5,615	-
-	57,150	78,455	78,455	78,455
-	97,959	128,424	128,423	128,423
<u>(9,919)</u>	<u>(13,610)</u>	<u>(59,643)</u>	<u>(28,399)</u>	<u>11,732</u>
<u>9,919</u>	<u>27,238</u>	<u>59,643</u>	<u>59,643</u>	<u>47,911</u>
<u>\$ -</u>	<u>\$ 13,628</u>	<u>\$ -</u>	<u>\$ 31,244</u>	<u>\$ 59,643</u>

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - Fire B

For the Year Ended December 31, 2022

	Durrance Rd Fire Protection	Malahat Fire Protection	Pender Island Fire Protection	South Galiano Island Fire Protection
Revenue				
Government transfers	\$ 3,020	\$ 65,597	\$ 1,042,606	\$ 471,747
Sale of services:				
Other revenue from own sources:				
Interest earnings	-	596	1,464	1,570
Other revenue	-	-	800	-
Grants in lieu of taxes	-	-	9,488	-
Total Revenue	3,020	66,193	1,054,358	473,317
Expenses				
General administration	139	3,191	42,560	14,660
Other operating expenses	2,523	62,400	845,609	89,573
Salaries and wages	-	-	-	193,788
MFA reserve	-	-	-	22,749
Total Expenses	2,662	65,591	888,169	320,770
Net Revenue (Expenses)	358	602	166,189	152,547
Transfers to own funds:				
Transfers to capital	-	-	-	8,281
Transfers to reserve	358	-	78,253	-
Transfers to ERF	-	-	81,190	78,117
Transfers from own funds:				
Transfers from reserve	-	-	(111,596)	-
Debt charges:				
Interest on short term debt	-	17	16,668	30,869
Interest on long term debt	-	-	-	35,280
Principal	-	-	101,674	-
Annual Surplus (Deficit)	-	585	-	-
Accumulated surplus (deficit), beginning of year	-	4	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ 589	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Protective Services - Fire B

For the Year Ended December 31, 2022

Saturna Island Fire Protection	Electoral Area Fire Protection	2022 Budget	2022 Actual	2021 Actual
\$ 177,796	\$ 193,274	\$ 1,908,080	\$ 1,954,040	\$ 1,779,201
42	619	2,080	4,291	(596)
-	-	310	800	200
10,509	-	19,997	19,997	19,309
188,347	193,893	1,930,467	1,979,128	1,798,114
3,365	9,414	73,329	73,329	61,651
184,759	205,329	1,399,547	1,390,193	1,132,899
-	-	191,150	193,788	146,251
-	-	22,620	22,749	-
188,124	214,743	1,686,646	1,680,059	1,340,801
223	(20,850)	243,821	299,069	457,313
-	-	9,570	8,281	51,614
-	33,573	78,554	112,184	126,783
-	-	161,853	159,307	295,836
-	(55,270)	(166,866)	(166,866)	(92,937)
-	847	14,199	48,401	22,939
-	-	38,772	35,280	-
-	-	107,483	101,674	53,316
223	-	256	808	(238)
(260)	-	(256)	(256)	(18)
\$ (37)	\$ -	\$ -	\$ 552	\$ (256)

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Environmental Health

For the Year Ended December 31, 2022

	Port Renfrew Disposal	Refuse Disposal	Storm Water Quality Management Core	Storm Water Quality Management Southern Gulf Islands
Revenue				
Government transfers	\$ 33,852	\$ -	\$ 637,153	\$ 38,699
Sale of services:				
Refuse revenue	12,158	26,876,303	-	-
Recreation revenue	-	-	-	-
Other revenue from own sources:				
Interest earnings	78	47,515	4,406	366
Other revenue	37,262	7,056,976	34,836	-
Grants in lieu of taxes	347	-	55,136	401
Total Revenue	83,697	33,980,794	731,531	39,466
Expenses				
General administration	4,037	3,368,178	14,407	1,917
Grants in aid	-	3,000	-	-
Other operating expenses	91,522	22,815,309	632,960	30,603
Salaries and wages	-	3,096,847	-	-
MFA reserve	-	654	-	-
Recoveries	(17,000)	(6,304,454)	-	-
Total Expenses	78,559	22,979,534	647,367	32,520
Net Revenue (Expenses)	5,138	11,001,260	84,164	6,946
Transfers to own funds:				
Transfers to revenue	-	112,333	-	-
Transfers to capital	-	20,585	-	-
Transfers to reserve	4,000	10,717,733	82,333	6,885
Transfers to ERF	1,070	-	-	-
Transfers from own funds:				
Transfers from reserve	-	(8,476)	-	-
Debt charges:				
Interest on short term debt	68	8,646	1,831	61
Interest on long term debt	-	32,340	-	-
Principal	-	118,099	-	-
Annual Surplus (Deficit)	-	-	-	-
Accumulated surplus (deficit), beginning of year	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Environmental Health

For the Year Ended December 31, 2022

Storm Water Quality Management Sooke	Storm Water Quality Management Salt Spring Island	Storm Water Quality Management Saanich Peninsula	2022 Budget	2022 Actual	2021 Actual
\$ 38,200	\$ 27,940	\$ 168,266	\$ 944,110	\$ 944,110	\$ 925,799
-	-	-	19,204,871	26,888,461	24,911,719
-	-	-	25,000	-	-
246	341	784	5,900	53,736	35,143
-	-	-	6,025,223	7,129,074	6,643,806
80	20	5,687	61,682	61,671	62,360
38,526	28,301	174,737	26,266,786	35,077,052	32,578,827
3,320	1,376	3,509	2,434,444	3,396,744	2,818,776
-	-	-	-	3,000	-
29,452	7,730	150,531	25,140,766	23,758,107	23,455,561
-	-	-	3,110,351	3,096,847	2,821,078
-	-	-	840	654	490
-	-	-	(6,514,273)	(6,321,454)	(6,475,645)
32,772	9,106	154,040	24,172,128	23,933,898	22,620,260
5,754	19,195	20,697	2,094,658	11,143,154	9,958,567
-	-	-	112,333	112,333	176,961
-	-	-	-	20,585	23,606
5,648	19,125	19,949	1,943,514	10,855,673	10,667,890
-	-	-	2,000	1,070	407
-	-	-	(115,024)	(8,476)	(59,812)
106	70	748	1,396	11,530	(14,480)
-	-	-	32,340	32,340	62,370
-	-	-	118,099	118,099	109,870
-	-	-	-	-	(1,008,245)
-	-	-	-	-	1,008,245
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Planning and Development

For the Year Ended December 31, 2022

	Economic Development Commission Salt Spring Island	Economic Development Commission SGI	Electoral Area Community Planning	Growth Management Strategy	Regional Planning
Revenue					
Government transfers	\$ 98,237	\$ 119,047	\$ 697,706	\$ 295,611	\$1,197,642
Sale of services:					
Recreation revenue	-	-	-	-	-
Other sales	-	-	81,875	-	6
Other revenue from own sources:					
Interest earnings	396	868	4,747	2,594	5,874
Other revenue	-	-	-	-	8,328
Grants in lieu of taxes	55	1,237	1,067	16,324	61,264
Total Revenue	98,688	121,152	785,395	314,529	1,273,114
Expenses					
General administration	11,642	5,986	53,359	23,904	112,194
Other operating expenses	70,325	81,153	183,961	93,468	1,019,673
Salaries and wages	-	-	398,607	78,857	861,418
Recoveries	-	-	(26,420)	-	(77,852)
Total Expenses	81,967	87,139	609,507	196,229	1,915,433
Net Revenue (Expenses)	16,721	34,013	175,888	118,300	(642,319)
Transfers to own funds:					
Transfers to capital	-	-	638	-	-
Transfers to reserve	18,292	1,490	167,931	132,832	207,188
Transfers to ERF	-	-	40,000	-	2,500
Transfers from own funds:					
Transfers from reserve	(2,000)	-	(35,269)	(15,354)	857,304
Debt charges:					
Interest on short term debt	429	325	2,588	822	5,297
Annual Surplus Deficit)	-	32,198	-	-	-
Accumulated surplus (deficit), beginning of year	-	2,772	-	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ 34,970	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Planning and Development

For the Year Ended December 31, 2022

Geo Spatial Referencing	GIS Information Systems	Climate Change Development	2022 Budget	2022 Actual	2021 Actual
\$ 157,707	\$ 120,153	\$1,601,384	\$4,136,530	\$4,287,487	\$3,185,252
9,600	-	-	8,130	9,600	9,600
-	-	-	45,280	81,881	81,594
587	209	15,080	5,480	30,355	2,956
-	-	-	1,070	8,328	20,575
8,558	3,368	26,028	117,901	117,901	114,354
176,452	123,730	1,642,492	4,314,391	4,535,552	3,414,331
24,145	11,138	11,755	254,123	254,123	234,900
80,873	158,061	575,587	3,051,125	2,263,101	1,493,217
-	371,610	207,782	2,293,980	1,918,274	1,774,432
-	(494,422)	-	(598,694)	(598,694)	(706,288)
105,018	46,387	795,124	5,000,534	3,836,804	2,796,261
71,434	77,343	847,368	(686,143)	698,748	618,070
-	-	-	-	638	3,762
10,863	53,272	845,876	131,456	1,437,744	548,795
60,050	23,490	-	91,040	126,040	390,097
-	-	-	909,927	(909,927)	(37,934)
521	581	1,492	4,060	12,055	-
-	-	-	(2,772)	32,198	(286,650)
-	-	-	2,772	2,772	289,422
\$ -	\$ -	\$ -	\$ -	\$ 34,970	\$ 2,772

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Regional Parks

For the Year Ended December 31, 2022

	Regional Parks	2022 Budget	2022 Actual	2021 Actual
Revenue				
Government transfers	\$15,574,597	\$15,532,807	\$15,574,597	\$15,108,023
Sale of services:				
Recreation revenue	138,968	98,000	138,968	122,543
Other sales	-	500	-	-
Other revenue from own sources:				
Interest earnings	63,556	21,190	63,556	(10,012)
Other revenue	445,930	383,713	445,930	486,194
Grants in lieu of taxes	791,148	791,148	791,148	751,930
Total Revenue	17,014,199	16,827,358	17,014,199	16,458,678
Expenses				
General administration	769,913	769,913	769,913	592,118
Other operating expenses	3,079,786	3,081,575	3,079,786	2,326,128
Salaries and wages	6,969,024	8,103,808	6,969,024	6,116,503
MFA reserve	6,428	57,690	6,428	11,352
Recoveries	(74,643)	(77,913)	(74,643)	(292,531)
Total Expenses	10,750,508	11,935,073	10,750,508	8,753,570
Net Revenue (Expenses)	6,263,691	4,892,285	6,263,691	7,705,108
Transfers to own funds:				
Transfers to capital	222,000	222,190	222,000	114,670
Transfers to reserve	4,706,484	3,762,207	4,706,484	6,903,303
Transfers to ERF	586,110	336,110	586,110	280,500
Debt charges:				
Interest on short term debt	48,182	25,000	48,182	5,287
Interest on long term debt	177,104	207,704	177,104	156,172
Principal	339,075	339,074	339,075	245,176
Annual Surplus (Deficit)	184,736	-	184,736	-
Accumulated surplus (deficit), beginning of year	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ 184,736	\$ -	\$ 184,736	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

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General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Panorama Recreation Services

For the Year Ended December 31, 2022

	Panorama Administration	Panorama Ice Arena	Panorama Swimming Pool	Panorama Community Recreation Programs	Panorama Second Pool Service
Revenue					
Government transfers	\$ 5,190,486	\$ -	\$ 14,845	\$ 200,448	\$ -
Sale of services:					
Recreation revenue	42,830	205,006	625,443	1,719,395	-
Other sales	(671)	201	-	18,684	-
Other revenue from own sources:					
Interest earnings	21,625	266	-	-	2,912
Other revenue	32,208	659,379	352,387	247,428	-
Grants in lieu of taxes	175,170	-	-	-	-
Total Revenue	5,461,648	864,852	992,675	2,185,955	2,912
Expenses					
General administration	(791,570)	416,008	416,008	416,008	-
Other operating expenses	1,268,937	1,373,663	1,351,358	1,788,921	-
Salaries and wages	2,656,137	235,542	753,865	1,403,130	-
MFA reserve	-	266	-	-	2,912
Recoveries	(3,638,739)	-	-	-	-
Total Expenses	(505,235)	2,025,479	2,521,231	3,608,059	2,912
Net Revenue (Expenses)	5,966,883	(1,160,627)	(1,528,556)	(1,422,104)	-
Transfers to own funds:					
Transfers to reserve	7,961	368,878	154,201	65,000	-
Transfers to ERF	-	203,559	132,000	132,000	-
Debt charges:					
Interest on short term debt	20,664	-	-	-	-
Interest on long term debt	-	30,240	-	-	233,655
Principal	-	58,068	-	-	449,370
Annual Surplus (Deficit)	5,938,258	(1,821,372)	(1,814,757)	(1,619,104)	(683,025)
Accumulated surplus (deficit), beginning of year	6,028,507	(2,259,755)	(1,563,176)	(1,522,551)	(683,025)
Accumulated Surplus (Deficit), end of year	\$ 11,966,765	\$ (4,081,127)	\$ (3,377,933)	\$ (3,141,655)	\$ (1,366,050)

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Panorama Recreation Services

For the Year Ended December 31, 2022

2022 Budget	2022 Actual	2021 Actual
\$ 5,262,663	\$ 5,405,779	\$ 5,251,676
3,041,803	2,592,674	1,917,433
23,462	18,214	12,356
12,010	24,803	8,275
1,353,958	1,291,402	1,160,374
175,170	175,170	161,891
9,869,066	9,508,042	8,512,005
456,453	456,454	502,394
5,637,501	5,782,879	4,808,208
5,616,602	5,048,674	4,052,310
20,360	3,178	2,380
(3,358,836)	(3,638,739)	(2,998,710)
8,372,080	7,652,446	6,366,582
1,496,986	1,855,596	2,145,423
316,363	596,040	1,177,459
396,000	467,559	456,052
13,289	20,664	-
263,895	263,895	263,895
507,439	507,438	507,438
-	-	(259,421)
-	-	259,421
\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Juan De Fuca Recreation Complex

For the Year Ended December 31, 2022

	Juan de Fuca Parks	Juan de Fuca Curling Rink	Juan de Fuca Public Building/Tech Wing
Revenue			
Sale of services:			
Other revenue from own sources:			
Expenses			
Transfers to own funds:			
Debt charges:			
Accumulated surplus (deficit), beginning of year	\$ 25	\$ (76)	\$ 873
Accumulated Surplus (Deficit), end of year	\$ 25	\$ (76)	\$ 873

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Juan De Fuca Recreation Complex

For the Year Ended December 31, 2022

2022 Budget	2022 Actual	2021 Actual
\$ -	\$ 822	\$ 822
\$ -	\$ 822	\$ 822

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Sooke Recreation Complex

For the Year Ended December 31, 2022

	SEAPARC	2022 Budget	2022 Actual	2021 Actual
Revenue				
Government transfers	\$3,135,520	\$3,125,316	\$3,135,520	\$2,919,131
Sale of services:				
Recreation revenue	904,661	830,005	904,661	646,929
Other sales	13,457	12,000	13,457	7,181
Other revenue from own sources:				
Interest earnings	10,974	2,360	10,974	(3,325)
Other revenue	370,971	353,670	370,971	276,643
Grants in lieu of taxes	5,214	5,214	5,214	5,341
Total Revenue	4,440,797	4,328,565	4,440,797	3,851,900
Expenses				
General administration	222,088	221,161	222,088	243,995
Grants in aid	-	2,040	-	80
Other operating expenses	1,052,493	890,479	1,052,493	778,192
Salaries and wages	2,549,128	2,682,639	2,549,128	2,088,818
MFA reserve	162	140	162	122
Recoveries	(2,670)	(2,670)	(2,670)	(2,670)
Total Expenses	3,821,201	3,793,789	3,821,201	3,108,537
Net Revenue (Expenses)	619,596	534,776	619,596	743,363
Transfers to own funds:				
Transfers to capital	-	-	-	50,500
Transfers to reserve	340,029	325,000	340,029	502,062
Transfers to ERF	110,029	95,000	110,029	90,000
Debt charges:				
Interest on short term debt	16,463	10,810	16,463	1,480
Interest on long term debt	18,480	23,480	18,480	18,480
Principal	79,845	80,486	79,845	80,841
Annual Surplus (Deficit)	54,750	-	54,750	-
Accumulated surplus (deficit), beginning of year	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ 54,750	\$ -	\$ 54,750	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Juan De Fuca Electoral Area

For the Year Ended December 31, 2022

	Juan de Fuca Electoral Area Community Parks	Juan de Fuca Electoral Area Community Recreation	2022 Budget	2022 Actual	2021 Actual
Revenue					
Government transfers	\$ 193,274	\$ 69,508	\$ 262,782	\$ 262,782	\$ 269,607
Sale of services:					
Other revenue from own sources:					
Interest earnings	115	691	150	806	65
Other revenue	3,338	21,455	20,920	24,793	23,411
Grants in lieu of taxes	297	72	367	369	334
Total Revenue	197,024	91,726	284,219	288,750	293,417
Expenses					
General administration	11,405	5,724	17,129	17,129	15,245
Other operating expenses	71,821	24,320	107,645	96,141	116,226
Salaries and wages	89,458	60,705	141,530	150,163	152,634
Total Expenses	172,684	90,749	266,304	263,433	284,105
Net Revenue (Expenses)	24,340	977	17,915	25,317	9,312
Transfers to own funds:					
Transfers to reserve	17,887	-	12,000	17,887	-
Transfers to ERF	8,000	833	8,000	8,833	6,857
Debt charges:					
Interest on short term debt	908	144	370	1,052	-
Annual Surplus (Deficit)	(2,455)	-	(2,455)	(2,455)	2,455
Accumulated surplus (deficit), beginning of year	2,455	-	2,455	2,455	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$ 2,455

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Salt Spring Island Parks and Recreation

For the Year Ended December 31, 2022

	Salt Spring Island Community Recreation	Salt Spring Island Community Parks	Salt Spring Island Community Pool	Salt Spring Island Park Land and Community Recreation
Revenue				
Government transfers	\$ 55,534	\$ 458,072	\$ 691,678	\$ 856,417
Sale of services:				
Recreation revenue	192,516	-	232,656	-
Other sales	-	-	-	-
Other revenue from own sources:				
Interest earnings	-	587	558	1,618
Other revenue	3,025	76,573	1,896	80,517
Grants in lieu of taxes	38	298	522	526
Total Revenue	251,113	535,530	927,310	939,078
Expenses				
General administration	38,131	135,451	(1,047)	144,851
Other operating expenses	116,539	59,680	379,481	437,457
Salaries and wages	131,603	404,998	590,546	276,081
MFA reserve	-	-	-	-
Recoveries	-	-	-	-
Total Expenses	286,273	600,129	968,980	858,389
Net Revenue (Expenses)	(35,160)	(64,599)	(41,670)	80,689
Transfers to own funds:				
Transfers to reserve	-	3,600	-	64,532
Transfers to ERF	-	5,000	20,000	12,500
Transfers from reserve	(8,000)	-	(23,083)	-
Debt charges:				
Interest on short term debt	577	2,558	3,244	3,657
Interest on long term debt	-	-	-	-
Principal	-	-	-	-
Annual Surplus (Deficit)	(27,737)	(75,757)	(41,831)	-
Accumulated surplus (deficit), beginning of year	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ (27,737)	\$ (75,757)	\$ (41,831)	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Salt Spring Island Parks and Recreation

For the Year Ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
	\$ 2,070,717	\$ 2,061,701	\$ 2,151,011
	476,223	425,172	334,318
	-	-	30
	310	2,763	2,846
	187,084	162,011	74,710
	1,384	1,384	1,534
	2,735,718	2,653,031	2,564,449
	317,386	317,386	284,240
	1,154,222	993,157	743,888
	1,434,192	1,403,228	1,178,052
	310	-	89
	(397,958)	-	-
	2,508,152	2,713,771	2,206,269
	227,566	(60,740)	358,180
	199,259	68,132	225,103
	52,500	37,500	55,090
	(28,083)	(31,083)	(4,861)
	3,890	10,036	(1,400)
	-	-	7,000
	-	-	19,976
	-	(145,325)	57,272
	-	-	(57,272)
	\$ -	\$ (145,325)	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Southern Gulf Islands

For the Year Ended December 31, 2022

	Galiano Island Community Parks	Galiano Island Community Recreation	Mayne Island Community Recreation	Mayne Island Community Parks
Revenue				
Government transfers	\$ 94,724	\$ 37,427	\$ 34,890	\$ 90,403
Sale of services:				
Recreation revenue	-	-	-	1,740
Other sales	-	-	-	-
Other revenue from own sources:				
Interest earnings	403	9	432	811
Other revenue	7,050	-	-	14,440
Grants in lieu of taxes	69	28	28	68
Total Revenue	102,246	37,464	35,350	107,462
Expenses				
General administration	3,883	2,059	2,122	4,845
Other operating expenses`	79,509	35,772	29,830	74,151
Total Expenses	83,392	37,831	31,952	78,996
Net Revenue (Expenses)	18,854	(367)	3,398	28,466
Transfers to own funds:				
Transfers to reserve	18,567	-	-	25,348
Debt charges:				
Interest on short term debt	287	280	-	376
Annual Surplus (Deficit)	-	(647)	3,398	2,742
Accumulated surplus (deficit), beginning of year	-	678	13,734	16,041
Accumulated Surplus (Deficit), end of year	\$ -	\$ 31	\$ 17,132	\$ 18,783

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services, Southern Gulf Islands

For the Year Ended December 31, 2022

Pender Island Community Recreation	North & South Pender Island Parks	Saturna Island Community Parks	Saturna Island Community Recreation	2022 Budget	2022 Actual	2021 Actual
\$ 163,654	\$ 65,283	\$ 23,323	\$ 9,891	\$ 519,595	\$ 519,595	\$ 501,720
-	-	-	-	390	1,740	375
541	-	-	-	210	541	756
863	138	54	168	920	2,878	510
-	-	3,000	450	8,650	24,940	10,009
1,410	582	1,526	866	4,581	4,577	3,878
166,468	66,003	27,903	11,375	534,346	554,271	517,248
5,704	3,214	929	1,005	23,762	23,761	19,784
85,362	62,473	20,239	16,119	476,479	403,455	372,544
91,066	65,687	21,168	17,124	500,241	427,216	392,328
75,402	316	6,735	(5,749)	34,105	127,055	124,920
75,016	-	6,644	-	77,130	125,575	115,989
386	-	91	3	790	1,423	-
-	316	-	(5,752)	(43,815)	57	8,931
-	2,972	-	10,390	43,815	43,815	34,884
\$ -	\$ 3,288	\$ -	\$ 4,638	\$ -	\$ 43,872	\$ 43,815

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services

For the Year Ended December 31, 2022

	Vancouver Island Regional Library	Royal Theatre	McPherson Theatre	Sooke Regional Museum	Greater Victoria Library
Revenue					
Government transfers	\$ 322,102	\$ 580,000	\$ 750,000	\$ 215,341	\$ 31,491
Sale of services:					
Other revenue from own sources:					
Interest earnings	1,849	672	2,656	11	5
Other revenue	122,643	-	-	-	-
Grants in lieu of taxes	325	-	36,233	341	87
Total Revenue	446,919	580,672	788,889	215,693	31,583
Expenses					
General administration	6,218	10,000	35,000	3,932	622
Other operating expenses	315,359	90,302	317,656	211,900	31,469
Salaries and wages	-	-	-	-	-
MFA reserve	1,102	-	-	-	-
Recoveries	-	-	-	-	-
Total Expenses	322,679	100,302	352,656	215,832	32,091
Net Revenue (Expenses)	124,240	480,370	436,233	(139)	(508)
Transfers to own funds:					
Transfers to capital	-	102,000	88,000	-	-
Transfers to reserve	-	378,000	348,233	-	-
Transfers to ERF	-	-	-	-	-
Transfers from own funds:					
Transfers from reserve	-	-	-	-	-
Debt charges:					
Interest on short term debt	1,666	370	-	14	-
Interest on long term debt	122,643	-	-	-	-
Principal	-	-	-	-	-
Annual Surplus (Deficit)	(69)	-	-	(153)	(508)
Accumulated surplus (deficit), beginning of year	141	-	-	200	524
Accumulated Surplus (Deficit), end of year	\$ 72	\$ -	\$ -	\$ 47	\$ 16

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Recreation and Cultural Services

For the Year Ended December 31, 2022

Salt Spring Island Library	Southern Gulf Island Library	Galiano Island Library	Arts Development	Salt Spring Island Arts	2022 Budget	2022 Actual	2021 Actual
\$ 663,620	\$ 229,073	\$ 62,929	\$2,781,832	\$ 121,677	\$5,758,065	\$5,758,065	\$5,661,085
1,503	680	198	1,157	1	1,686	8,732	3,044
-	4,000	-	10,000	-	180,600	136,643	47,003
472	2,370	43	185,956	85	225,912	225,912	219,043
665,595	236,123	63,170	2,978,945	121,763	6,166,263	6,129,352	5,930,175
23,303	4,558	1,653	67,644	2,370	155,300	155,300	144,905
460,315	231,641	20,891	2,632,346	117,531	4,441,097	4,429,410	4,320,554
-	-	-	284,679	-	297,973	284,679	291,194
613	-	85	-	-	60,730	1,800	601
-	-	-	(18,946)	-	(13,614)	(18,946)	(47,432)
484,231	236,199	22,629	2,965,723	119,901	4,941,486	4,852,243	4,709,822
181,364	(76)	40,541	13,222	1,862	1,224,777	1,277,109	1,220,353
-	-	-	-	-	190,000	190,000	192,000
31,733	-	9,823	8,392	-	756,013	776,181	779,134
-	-	-	-	-	-	-	5,000
-	-	-	-	-	(25,000)	-	-
4,024	-	259	4,830	886	10,788	12,049	(9,028)
33,250	-	11,935	-	-	165,785	167,828	116,378
112,357	-	15,482	-	-	127,839	127,839	137,838
-	(76)	3,042	-	976	(648)	3,212	(969)
-	1,335	-	-	(1,552)	648	648	1,617
\$ -	\$ 1,259	\$ 3,042	\$ -	\$ (576)	\$ -	\$ 3,860	\$ 648

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Fiscal Services

For the Year Ended December 31, 2022

	Local Debt Services	Gossip Island Electricity	2022 Budget	2022 Actual	2021 Actual
Revenue					
Government transfers	\$17,650,859	\$ 56,585	\$15,426,086	\$17,707,444	\$15,393,403
Other revenue from own sources:					
Interest earnings	80,598	480	61,370	81,078	56,746
Total Revenue	17,731,457	57,065	15,487,456	17,788,522	15,450,149
Expenses					
General administration	-	154	155	154	357
Grants in aid	-	-	-	-	1
Other operating expenses	1	53	100	54	-
MFA reserve	80,597	203	61,280	80,800	56,730
Total Expenses	80,598	410	61,535	81,008	57,088
Net Revenue (Expenses)	17,650,859	56,655	15,425,921	17,707,514	15,393,061
Debt charges:					
Interest on short term debt	-	947	120	947	-
Interest on long term debt	6,769,607	20,735	5,820,490	6,790,342	5,995,181
Principal	10,881,252	35,708	9,605,454	10,916,960	9,397,817
Annual Surplus (Deficit)	-	(735)	(143)	(735)	63
Accumulated surplus (deficit), beginning of year	-	142	143	142	79
Accumulated Surplus (Deficit), end of year	\$ -	\$ (593)	\$ -	\$ (593)	\$ 142

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

General Revenue Fund Statement of Operations (Unaudited)

Land, Banking and Housing

For the Year Ended December 31, 2022

	Land Bank and Housing	2022 Budget	2022 Actual	2021 Actual
Revenue				
Government transfers	\$ 2,994,339	\$ 2,852,833	\$ 2,994,339	\$ 2,745,407
Sale of services:				
Recreation revenue	49,146	35,130	49,146	38,071
Other revenue from own sources:				
Interest earnings	101,136	40,207	101,136	64,665
Other revenue	63,336	63,000	63,336	147,726
Grants in lieu of taxes	131,745	131,745	131,745	126,943
Total Revenue	3,339,702	3,122,915	3,339,702	3,122,812
Expenses				
General administration	126,451	126,451	126,451	109,315
Other operating expenses	3,280,004	5,718,730	3,280,004	622,791
Salaries and wages	1,158,975	1,406,115	1,158,975	1,155,682
MFA reserve	2,437	7,390	2,437	1,825
Recoveries	(661,100)	(765,859)	(661,100)	(769,348)
Total Expenses	3,906,767	6,492,827	3,906,767	1,120,265
Net Revenue (Expenses)	(567,065)	(3,369,912)	(567,065)	2,002,547
Transfers to own funds:				
Transfers to capital	1,879	10,000	1,879	6,381
Transfers to reserve	193,118	-	193,118	105,393
Transfers to ERF	4,000	4,000	4,000	4,000
Transfers from reserve	(69)	(74,992)	(69)	-
Debt charges:				
Interest on short term debt	3,574	4,967	3,574	-
Interest on long term debt	207,086	220,586	207,086	207,086
Principal	802,377	830,771	802,377	802,377
Annual Surplus (Deficit)	(1,779,030)	(4,365,244)	(1,779,030)	877,310
Accumulated surplus (deficit), beginning of year	4,365,244	4,365,244	4,365,244	3,487,934
Accumulated Surplus (Deficit), end of year	\$ 2,586,214	\$ -	\$ 2,586,214	\$ 4,365,244

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

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General Revenue Fund Statement of Operations (Unaudited)

Small Craft Harbours, Transit and Transport

For the Year Ended December 31, 2022

	Southern Gulf Islands Small Craft Harbours	Salt Spring Island Small Craft Harbours	Salt Spring Island Transit and Transport	2022 Budget	2022 Actual	2021 Actual
Revenue						
Government transfers	\$ 301,288	\$ 25,679	\$ 436,680	\$ 720,767	\$ 763,647	\$ 883,941
Sale of services:						
Recreation revenue	103,470	-	-	134,240	103,470	84,530
Other sales	-	-	182,767	154,591	182,767	145,658
Other revenue from own sources:						
Interest earnings	788	146	1,337	1,890	2,271	1,318
Other revenue	313	-	-	7,000	313	4,347
Grants in lieu of taxes	6,592	38	251	6,881	6,881	6,392
Total Revenue	412,451	25,863	621,035	1,025,369	1,059,349	1,126,186
Expenses						
General administration	11,220	3,677	29,642	44,539	44,539	41,929
Other operating expenses	173,894	4,707	604,120	792,380	782,721	650,809
Salaries and wages	-	-	-	1,620	-	-
MFA reserve	11,978	-	-	11,800	11,978	-
Total Expenses	197,092	8,384	633,762	850,339	839,238	692,738
Net Revenue (Expenses)	215,359	17,479	(12,727)	175,030	220,111	433,448
Transfers to own funds:						
Transfers to reserve	184,146	17,427	116,373	288,600	317,946	434,969
Transfers from reserve	-	-	(129,999)	(130,000)	(129,999)	(1,747)
Debt charges:						
Interest on short term debt	19,285	52	899	830	20,236	-
Interest on long term debt	11,928	-	-	15,600	11,928	226
Annual Surplus (Deficit)	-	-	-	-	-	-
Accumulated surplus (deficit), beginning of year	-	-	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Sewer Revenue Fund Statement of Operations (Unaudited)

For the Year Ended December 31, 2022

	Septage Disposal Facilities	Salt Spring Island Septage Disposal	Trunk Sewers and Sewage Disposal Operations and Maintenance	Trunk Sewers and Sewage Disposal Debt	Ganges Sewer System
Revenue					
Government transfers	\$ 228,601	\$ 375,768	\$ 6,409,801	\$22,443,580	\$ 58,147
Sale of services:					
Other sales	153,051	680,815	-	-	1,015,009
Other revenue from own sources:					
Interest earnings	4,777	1,407	28,413	276,260	3,228
Other revenue	1,850	-	70,472	-	423
Grants in lieu of taxes	12,931	437	143,342	775,995	173
Total Revenue	401,210	1,058,427	6,652,028	23,495,835	1,076,980
Expenses					
General administration	11,146	35,346	161,999	382	34,770
Other operating expenses	207,446	817,825	5,318,416	112,146	771,031
Salaries and wages	-	-	-	-	-
MFA reserve	-	624	-	33,447	941
Recoveries	-	-	(175,921)	-	-
Total Expenses	218,592	853,795	5,304,494	145,975	806,742
Net Revenue (Expenses)	182,618	204,632	1,347,534	23,349,860	270,238
Transfers to own funds:					
Transfers to revenue	-	-	-	-	-
Transfers to capital	136,281	-	-	23,559	-
Transfers to reserve	46,049	42,289	620,682	8,019,643	29,090
Transfers to ERF	-	-	794,305	-	-
Transfers from own funds:					
Transfers from revenue	-	-	-	(112,333)	-
Transfers from reserve	-	-	(32,092)	-	(10,000)
Debt charges:					
Interest on short term debt	288	1,770	29,080	89,428	5,335
Interest on long term debt	-	53,265	-	7,415,816	117,800
Principal	-	107,308	-	7,918,336	128,013
Annual Surplus (Deficit)	-	-	(64,441)	(4,589)	-
Accumulated surplus (deficit), beginning of year	-	-	64,441	69,682	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ 65,093	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Sewer Revenue Fund Statement of Operations (Unaudited)

For the Year Ended December 31, 2022

Malaview Estates Sewer System	Magic Lake Estates Sewer System	Port Renfrew Sewer System	Harbours Environmental Action	Core Area Wastewater Operations	2022 Budget	2022 Actual	2021 Actual
\$ 4,760	\$ 797,626	\$ 62,294	\$ 66,596	\$27,588,995	\$58,036,168	\$ 58,036,168	\$57,777,823
203,060	261,145	62,595	-	-	2,323,844	2,375,675	2,322,059
242	3,314	330	764	-	193,056	318,735	127,407
1,137	594	3,510	-	(499,360)	60,260	(421,374)	86,336
-	2,864	1,371	2,026	876,129	1,815,282	1,815,268	1,534,597
209,199	1,065,543	130,100	69,386	27,965,764	62,428,610	62,124,472	61,848,222
7,399	29,375	5,041	1,306	1,401,804	1,688,571	1,688,568	1,500,799
148,885	629,135	104,386	67,959	23,376,136	36,373,513	31,553,365	30,987,857
-	-	-	-	-	-	-	4,086
-	11,406	-	-	-	218,050	46,418	265,638
-	(10,870)	-	-	(204,000)	(1,850,772)	(390,791)	(365,644)
156,284	659,046	109,427	69,265	24,573,940	36,429,362	32,897,560	32,392,736
52,915	406,497	20,673	121	3,391,824	25,999,248	29,226,912	29,455,486
-	-	-	-	-	-	-	456,319
-	-	-	-	66,509	5,751,899	226,349	416,574
64,652	51,174	20,402	-	2,675,740	9,789,748	11,569,721	15,789,565
-	-	-	-	846,920	964,940	1,641,225	1,310,892
-	-	-	-	-	(112,332)	(112,333)	(176,961)
(12,000)	(25,000)	-	-	-	(686,234)	(79,092)	(65,592)
263	11,868	271	121	-	35,353	138,424	2,757
-	142,638	-	-	-	4,067,940	7,729,519	6,994,549
-	222,574	-	-	-	6,511,632	8,376,231	5,748,372
-	3,243	-	-	(197,345)	(323,698)	(263,132)	(1,020,989)
-	(7,772)	-	-	197,345	323,698	323,696	1,344,685
\$ -	\$ (4,529)	\$ -	\$ -	\$ -	\$ -	\$ 60,564	\$ 323,696

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the Year Ended December 31, 2022

	Fernwood Water Supply	Magic Lake Estates Water Supply	Port Renfrew Water Supply	Saanich Peninsula Water Supply	Highland Water Supply
Revenue					
Government transfers	\$ 14,414	\$ 579,148	\$ 64,508	\$ -	\$ 30,832
Sale of services:					
Other sales	-	372,201	64,558	8,072,600	-
Other revenue from own sources:					
Interest earnings	103	1,687	150	2,962	229
Other revenue	-	9,439	299	10,000	-
Grants in lieu of taxes	-	1,424	538	-	-
Total Revenue	14,517	963,899	130,053	8,085,562	31,061
Expenses					
General administration	83	33,911	5,355	124,749	103
Other operating expenses	-	744,407	122,696	6,784,622	-
Salaries and wages	-	3,182	-	-	-
MFA reserve	59	742	-	-	121
Total Expenses	142	782,242	128,051	6,909,371	224
Net Revenue (Expenses)	14,375	181,657	2,002	1,176,191	30,837
Transfers to own funds:					
Transfers to capital	-	-	-	-	-
Transfers to reserve	-	(16,150)	14,562	1,106,841	-
Transfers to ERF	-	-	-	50,000	-
Transfers from own funds:					
Transfers from reserve	-	-	(13,000)	-	-
Debt charges:					
Interest on short term debt	(1)	4,622	440	19,350	(3)
Interest on long term debt	4,418	61,696	-	-	10,741
Principal	9,926	131,489	-	-	20,010
Annual Surplus (Deficit)	32	-	-	-	89
Accumulated surplus (deficit), beginning of year	14	-	-	-	29
Accumulated Surplus (Deficit), end of year	\$ 46	\$ -	\$ -	\$ -	\$ 118

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the Year Ended December 31, 2022

Lyall Harbour/Boot Cove Water Supply	Sticks Allison Galiano Island Water Supply	Highland/Fernwood Water Supply	Florence Lake Debt	2022 Budget	2022 Actual	2021 Actual
\$ 131,060	\$ 5,000	\$ 75,000	\$ 8,738	\$ 908,699	\$ 908,700	\$ 878,729
112,638	65,983	436,054	-	8,564,320	9,124,034	9,172,493
548	60	285	6	1,840	6,030	(5,695)
5,667	237	1,312	-	14,820	26,954	41,257
747	-	-	-	2,701	2,709	1,763
250,660	71,280	512,651	8,744	9,492,380	10,068,427	10,088,547
8,301	2,450	15,152	-	190,103	190,104	170,248
189,201	45,721	362,211	5,486	7,810,571	8,254,344	8,213,935
-	-	-	-	2,000	3,182	2,404
133	-	146	-	4,080	1,201	898
197,635	48,171	377,509	5,486	8,006,754	8,448,831	8,387,485
53,025	23,109	135,142	3,258	1,485,626	1,619,596	1,701,062
-	-	10,337	-	-	10,337	6,612
17,427	17,894	72,052	-	1,104,423	1,212,626	1,351,822
-	-	-	-	50,000	50,000	50,000
-	(5,000)	(27,000)	-	(55,000)	(45,000)	(78,818)
784	231	1,429	7,536	20,785	34,388	(3,596)
7,929	-	7,350	-	96,194	92,134	104,456
22,148	-	26,841	-	210,413	210,414	207,609
4,737	9,984	44,133	(4,278)	58,811	54,697	62,977
(4,737)	(9,984)	(44,133)	-	(58,811)	(58,811)	(121,788)
\$ -	\$ -	\$ -	\$ (4,278)	\$ -	\$ (4,114)	\$ (58,811)

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the Year Ended December 31, 2022

	Skana Water Supply	Surfside Water Supply	Beddis Water Supply	Fulford Water Supply	Cedars of Tuam Supply
Revenue					
Government transfers	\$ 24,000	\$ 23,100	\$ 74,960	\$ 47,500	\$ -
Sale of services:					
Other sales	54,034	95,850	180,792	162,637	37,618
Other revenue from own sources:					
Interest earnings	544	39	235	177	-
Other revenue	138	480	342	626	139
Total Revenue	78,716	119,469	256,329	210,940	37,757
Expenses					
General administration	2,567	4,563	8,778	8,241	2,078
Other operating expenses	67,329	115,849	163,637	172,215	39,437
Salaries and wages	-	-	-	-	-
MFA reserve	10	-	103	49	-
Recoveries	-	-	-	-	-
Total Expenses	69,906	120,412	172,518	180,505	41,515
Net Revenue (Expenses)	8,810	(943)	83,811	30,435	(3,758)
Transfers to own funds:					
Transfers to capital	-	6,686	-	-	-
Transfers to reserve	6,644	(7,837)	48,191	35,919	(1,407)
Transfers to ERF	-	-	-	-	-
Transfers from own funds:					
Transfers from reserve	-	-	8,000	(20,000)	(2,500)
Debt charges:					
Interest on short term debt	51	208	657	378	149
Interest on long term debt	657	-	12,145	5,648	-
Principal	1,458	-	30,818	8,490	-
Annual Surplus (Deficit)	-	-	-	-	-
Accumulated surplus (deficit), beginning of year	-	-	-	-	-
Accumulated Surplus (Deficit), end of year	\$ -	\$ -	\$ -	\$ -	\$ -

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Water Revenue Fund Statement of Operations (Unaudited)

For the Year Ended December 31, 2022

Cedar Lane Water Supply	Wilderness Mountain Water	Regional Water Supply	Regional Water Distribution	2022 Budget	2022 Actual	2021 Actual
\$ 15,000	\$ 61,900	\$ 5,000	\$ -	\$ 246,460	\$ 251,460	\$ 228,322
62,582	91,224	37,595,874	24,332,911	59,519,167	62,613,522	61,974,759
210	134	134,811	35,826	45,735	171,976	160,497
208	341	101,687	(44,939)	189,420	59,022	179,336
78,000	153,599	37,837,372	24,323,798	60,000,782	63,095,980	62,542,914
3,828	6,048	2,118,668	703,858	2,643,152	2,858,629	2,914,546
42,910	128,971	7,182,272	13,341,707	39,533,128	21,254,327	19,965,446
-	-	15,268,172	462,486	17,348,054	15,730,658	15,112,152
34	81	34,238	5,750	98,040	40,265	30,359
-	-	(6,331,114)	-	(27,081,307)	(6,331,114)	(6,033,894)
46,772	135,100	18,272,236	14,513,801	32,541,067	33,552,765	31,988,609
31,228	18,499	19,565,136	9,809,997	27,459,715	29,543,215	30,554,305
-	-	10,958,354	7,747,790	16,527,307	18,712,830	19,792,772
18,167	4,395	-	-	151,570	104,072	86,592
-	-	314,181	263,494	577,675	577,675	555,543
(5,000)	(10,000)	-	(28,099)	(86,096)	(73,599)	(136,866)
147	531	(100)	(2,552)	31,863	(531)	(11,623)
2,430	9,540	2,806,575	645,240	3,516,862	3,482,235	3,517,456
5,394	14,033	5,486,126	1,184,124	6,730,444	6,730,443	6,749,803
10,090	-	-	-	10,090	10,090	628
(10,090)	-	-	-	(10,090)	(10,090)	(10,718)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,090)

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Capital Funds Statement of Financial Position (Unaudited)

For the Year Ended December 31, 2022

	General Capital	Water Capital	Sewer Capital	2022	2021
Financial Assets					
Receivables:					
Accounts receivable	\$ 42,575,362	\$ 68,925,060	\$ 34,796,870	\$ 146,297,292	\$ 144,517,522
Debt recoverable from other authorities					
Debentures:					
District of Sooke	2,552,573	-	-	2,552,573	3,120,673
City of Colwood	7,276,543	-	-	7,276,543	7,997,141
Town of Esquimalt	36,325,920	-	-	36,325,920	38,215,048
District of Highlands	303,077	-	-	303,077	393,221
District of North Saanich	4,916,606	-	-	4,916,606	5,348,140
District of Oak Bay	360,327	-	-	360,327	703,496
District of Saanich	46,902,797	-	-	46,902,797	46,176,266
Town of Sidney	7,340,284	-	-	7,340,284	7,660,577
City of Victoria	52,363,569	-	-	52,363,569	56,965,563
District of Central Saanich	7,503,910	-	-	7,503,910	7,949,749
Town of View Royal	4,587,651	-	-	4,587,651	5,012,823
VIRL	6,000,000	-	-	6,000,000	6,000,000
	\$ 219,008,619	\$ 68,925,060	\$ 34,796,870	\$ 322,730,549	\$ 330,060,219

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Capital Funds Statement of Financial Position (Unaudited)

For the Year Ended December 31, 2022

	General Capital	Water Capital	Sewer Capital	2022	2021
Financial Liabilities					
Payables:					
Trade accounts and accrued liabilities	\$ 1,726,136	\$ 3,713,608	\$ 1,831,652	\$ 7,271,396	\$ 5,241,201
Contractors holdbacks	1,325,806	1,208,547	2,504,007	5,038,360	8,415,837
CIAC developer advances for construction	-	772,909	-	772,909	515,316
Deferred revenue	-	-	-	-	1,577,790
	3,051,942	5,695,064	4,335,659	13,082,665	15,750,144
Debentures issued by Municipal Finance Authority	204,617,976	35,430,822	165,550,366	405,599,164	449,397,267
	204,617,976	35,430,822	165,550,366	405,599,164	449,397,267
	207,669,918	41,125,886	169,886,025	418,681,829	465,147,411
Net Financial Assets (Liabilities)	11,338,701	27,799,174	(135,089,155)	(95,951,280)	(135,087,192)
Non-Financial Assets					
Tangible capital assets:					
Engineering structures	160,473,197	567,173,699	943,680,872	1,671,327,768	1,646,723,152
Buildings	274,792,321	8,488,663	7,305,797	290,586,781	284,261,921
Equipment	41,185,133	34,286,527	5,346,797	80,818,457	74,385,911
Vehicles	18,910,421	7,307,500	29,322	26,247,243	25,451,884
Land	163,758,254	85,181,580	28,475,208	277,415,042	274,112,132
Other assets	4,020,591	14,273,231	6,115,931	24,409,753	23,497,009
Assets WIP	18,059,020	26,078,913	7,946,618	52,084,551	36,029,920
	681,198,937	742,790,113	998,900,545	2,422,889,595	2,364,461,929
Inventory of supplies	-	1,294,554	-	1,294,554	1,062,177
Accumulated Surplus					
Capital funds	\$ 692,537,638	\$ 771,883,841	\$ 863,811,390	\$ 2,328,232,869	\$ 2,230,436,914

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Capital Funds Statement of Financial Activities (Unaudited)

For the Year Ended December 31, 2022

	General Capital	Water Capital	Sewer Capital	2022	2021
Revenue					
Government transfers	\$ 1,115,566	\$ 3,493,277	\$ 346,585	\$ 4,955,428	\$ 128,502,790
Developer contributions	-	2,740,207	-	2,740,207	4,135,620
Interest earnings	1,143,548	1,421,598	1,028,912	3,594,058	1,064,005
Other revenue	1,426,249	438,673	-	1,864,922	28,893,124
Capitalization of debt	3,638,998	10,508,037	9,746,628	23,893,663	22,115,416
Net Revenue	7,324,361	18,601,792	11,122,125	37,048,278	184,710,955
Transfers to own funds:					
Transfers to revenue	-	-	-	-	(109,329)
Transfers to capital	-	-	(344,000)	(344,000)	(252,792)
Transfers to reserve	(925,393)	(47,662)	(672,170)	(1,645,225)	(1,612,452)
Transfers to ERF	-	-	-	-	(68,856)
Transfers from own funds:					
Transfers from revenue	2,178,819	18,739,444	226,349	21,144,612	23,172,961
Transfers from capital	879,400	-	-	879,400	230,000
Transfers from reserve	33,534,658	7,942,925	3,712,000	45,189,583	20,211,472
Transfers from ERF	2,449,724	78	250,609	2,700,411	2,711,647
Decrease in inventory	-	232,254	-	232,254	57,122
Disposal of assets	(2,845,187)	(3,157,817)	(1,406,354)	(7,409,358)	(2,579,662)
Annual Surplus	42,596,382	42,311,014	12,888,559	97,795,955	226,471,066
Accumulated surplus, beginning of year	649,941,256	729,572,827	850,922,831	2,230,436,914	2,003,965,848
Accumulated Surplus, end of year	\$692,537,638	\$771,883,841	\$863,811,390	\$2,328,232,869	\$2,230,436,914

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

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Capital Funds Statement of Capital Financing (Unaudited)

For the Year Ended December 31, 2022

	General Capital	Water Capital	Sewer Capital	2022	2021
Finances acquired:					
Unexpended funds at beginning of year	\$ 27,554,808	\$ 59,786,907	\$ 57,175,807	\$ 144,517,522	\$ 155,121,008
Long-term debt incurred:					
Bank loan / MFA non-debenture loans	-	300,000	5,000,000	5,300,000	182,946,394
Debentures:					
Own portion	3,915,000	-	1,000,000	4,915,000	24,800,000
Member municipalities' portion	5,355,000	-	-	5,355,000	45,400,000
VIRL	6,000,000	-	-	6,000,000	-
Transfer from member municipalities for their portion of long-term debt	10,881,251	-	-	10,881,251	9,362,109
Transfer from current liability to equity - Skirt & Silver Creek	8,300	-	-	8,300	3,874,546
Transfers from own funds:					
Transfer from current liability to Equity - Skirt & Silver Creek	-	84,738	-	84,738	109,239
Sewer Revenue Fund	-	-	202,790	202,790	416,574
General Revenue Fund	2,178,819	-	-	2,178,819	2,957,002
Water Revenue Fund	-	18,971,699	-	18,971,699	19,886,506
Capital Funds	35,984,380	7,943,003	3,962,609	47,889,992	22,713,886
Capital Fund	344,000	-	-	344,000	200,000
Contribution in aid	1,115,566	3,493,278	346,585	4,955,429	128,502,791
Contribution in Aid	-	2,740,207	-	2,740,207	4,763,781
Interest earned	1,143,548	1,421,598	1,028,912	3,594,058	24,243,215
Other - sale of land	-	353,935	-	353,935	1,101,968
Donations	1,417,949	-	-	1,417,949	847,940
Temporary borrowings and payables at end of year	3,051,941	5,695,062	4,335,656	13,082,659	14,902,204
	\$ 98,950,562	\$ 100,790,427	\$ 73,052,359	\$ 272,793,348	\$ 642,149,163

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Capital Funds Statement of Capital Financing (Unaudited)

For the Year Ended December 31, 2022

	General Capital	Water Capital	Sewer Capital	2022	2021
Finances applied:					
Temporary borrowings and payables at beginning of year	\$ 847,939	\$ 4,752,870	\$ 10,149,333	\$ 15,750,142	\$ 88,123,642
Expenditure for fixed assets	29,355,617	27,064,834	9,648,947	66,069,398	249,911,695
Transfers to own funds:					
Sewer Revenue Fund	-	-	(23,559)	(23,559)	-
Reserve Funds	925,393	47,662	136,770	1,109,825	1,634,195
Capital Funds	-	-	344,000	344,000	200,000
Transfer to VIRL for their portion of non-debentures	-	-	-	-	6,000,000
Transfer to VIRL for their portion of debentures	6,000,000	-	-	6,000,000	-
Transfer to member municipalities for their portion of debentures	5,355,000	-	-	5,355,000	45,400,000
Payment of long-term debt on behalf of member municipalities	10,881,251	-	-	10,881,251	9,362,109
Debt paydown	-	-	18,000,000	18,000,000	-
Temporary loan repayment	-	-	-	-	97,000,000
Other bank loan repayment	3,010,000	-	-	3,010,000	-
Unexpended funds at end of year	42,575,362	68,925,059	34,796,870	146,297,291	144,517,522
	\$ 98,950,562	\$ 100,790,425	\$ 73,052,361	\$ 272,793,348	\$ 642,149,163

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	General Government Equipment Replacement Fund	Feasibility Study Reserve	Office Facilities & Equipment Replacement Fund
Opening balance	\$ 7,480,883	\$ 150,241	\$ 6,368,658
Add			
Other revenue from own sources:			
Interest earnings	59,287	2,503	182,082
Other revenues	29,570	-	-
Transfers from own funds:			
Transfers from revenue	-	-	680,728
Transfers from reserve	-	-	138,352
Transfers from ERF	1,655,568	-	-
Total Revenue	1,744,425	2,503	1,001,162
Deduct			
Debt charges	-	-	14,139
Other operating expenses	-	5,332	-
Transfers to own funds:			
Transfers to capital	1,080,799	-	2,345,473
Transfers to reserve	-	-	32,402
Total Expenses	(1,080,799)	(5,332)	(2,392,014)
Change in Fund Balance	663,626	(2,829)	(1,390,852)
Accumulated Surplus, end of year	\$ 8,144,509	\$ 147,412	\$ 4,977,806

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

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Reserve Funds Fire Protection Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	North Pender Island Fire Capital Reserve	Willis Point Fire & Recreation Capital Reserve	Shirley Fire Capital Reserve	East Sooke Fire Capital Reserve
Opening balance	\$ 349,445	\$ 149,091	\$ 105,985	\$ 42,999
Add				
Other revenue from own sources:				
Interest earnings	9,773	4,221	3,399	1,199
Transfers from own funds:				
Transfers from revenue	78,253	7,500	21,301	-
Transfers from capital	-	-	-	8,753
Transfers from reserve	-	-	-	45,000
Transfers from ERF	-	-	-	-
Total Revenue	88,026	11,721	24,700	54,952
Deduct				
Debt charges	-	-	-	-
Transfers to own funds:				
Transfers to revenue	-	-	-	-
Transfers to capital	40,000	15,030	-	45,000
Transfers to ERF	150,000	-	-	-
Total Expenses	190,000	15,030	-	45,000
Change in Fund Balance	(101,974)	(3,309)	24,700	9,952
Accumulated Surplus, end of year	\$ 247,471	\$ 145,782	\$ 130,685	\$ 52,951

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Fire Protection Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	North Galiano Fire Capital Reserve	Fire Protection Equipment Replacement Fund	Port Renfrew Fire Capital Reserve	Otter Point Fire Capital Reserve
Opening balance	\$ 72,554	\$ 2,764,890	\$ 47,399	\$ 25,802
Add				
Other revenue from own sources:				
Interest earnings	2,112	23,603	1,322	110
Transfers from own funds:				
Transfers from revenue	5,000	-	-	40,798
Transfers from capital	-	-	-	9,261
Transfers from reserve	-	-	-	-
Transfers from ERF	-	890,220	-	-
Total Revenue	7,112	913,823	1,322	50,169
Deduct				
Debt charges	-	-	-	(402)
Transfers to own funds:				
Transfers to revenue	-	111,595	-	-
Transfers to capital	-	359,522	-	60,000
Transfers to ERF	-	97,067	-	-
Total Expenses	-	568,184	-	(60,402)
Change in Fund Balance	7,112	345,639	1,322	(10,233)
Accumulated Surplus, end of year	\$ 79,666	\$ 3,110,529	\$ 48,721	\$ 15,569

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Southern Gulf Islands Emergency Capital Reserve	Salt Spring Island Emergency Capital Reserve	Family Court Building Capital Reserve	Protective General Equipment Replacement Fund
Opening balance	\$ 261,825	\$ 42,572	\$ 322,457	\$ 2,356,233
Add				
Other revenue from own sources:				
Interest earnings	7,458	1,188	11,810	18,996
Other revenues	-	-	-	8,755
Transfers from own funds:				
Transfers from revenue	8,800	-	146,827	-
Transfers from ERF	-	-	-	358,846
Total Revenue	16,258	1,188	158,637	386,597
Deduct				
Transfers to own funds:				
Transfers to capital	-	-	-	318,887
Total Expenses	-	-	-	318,887
Change in Fund Balance	16,258	1,188	158,637	67,710
Accumulated Surplus, end of year	\$ 278,083	\$ 43,760	\$ 481,094	\$ 2,423,943

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Transportation Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Southern Gulf Islands Small Craft Harbour Capital Reserve	Salt Spring Island Harbours Capital Reserve	Salt Spring Island Transportation Capital Reserve	Salt Spring Island Transit Capital Reserve
Opening balance	\$ 186,129	\$ 192,539	\$ 103,392	\$ 43,324
Add				
Other revenue from own sources:				
Interest earnings	15,294	5,547	8,984	591
Transfers from own funds:				
Transfers from revenue	184,146	17,427	83,108	15,000
Transfers from capital	-	-	276,262	-
Transfers from reserve	-	-	277,896	-
Total Revenue	199,440	22,974	646,250	15,591
Deduct				
Transfers to own funds:				
Transfers to capital	195,801	-	80,225	35,000
Transfers to reserve	-	-	277,896	-
Total Expenses	195,801	-	358,121	35,000
Change in Fund Balance	3,639	22,974	22,974	(19,409)
Accumulated Surplus, end of year	\$ 189,768	\$ 215,513	\$ 391,521	\$ 23,915

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational and Cultural Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Saturna Island Park Land Capital Reserve	Pender Island Park Land Capital Reserve	Saanich Peninsula Ice Arena Facility Capital Reserve	Regional Parks Capital Reserve
Opening balance	\$ 3,244	\$ 36,714	\$ 3,908,349	\$ 12,915,923
Add				
Other revenue from own sources:				
Interest earnings	91	1,024	110,476	376,238
Other revenues	-	-	-	-
Sale of services	-	-	-	-
Transfers from own funds:				
Transfers from revenue	-	-	516,520	4,706,484
Transfers from capital	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	91	1,024	626,996	5,082,722
Deduct				
Debt charges	-	-	-	-
Other operating expenses	-	-	-	(173,001)
Transfers to own funds:				
Transfers to capital	-	-	352,478	5,215,200
Total Expenses	-	-	352,478	5,388,201
Change in Fund Balance	91	1,024	274,518	(305,479)
Accumulated Surplus, end of year	\$ 3,335	\$ 37,738	\$ 4,182,867	\$ 12,610,444

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational and Cultural Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Sooke Community Park Capital Reserve	Salt Spring Island Park Land Acquisition Capital Reserve	Saturna Island Parks & Recreation Capital Reserve	Sooke and EA Recreation & Facilities Capital Reserve
Opening balance	\$ 597,479	\$ 912,498	\$ 74,693	\$ 1,324,496
Add				
Other revenue from own sources:				
Interest earnings	7,767	22,920	2,122	34,736
Other revenues	-	-	-	-
Sale of services	173,000	-	-	-
Transfers from own funds:				
Transfers from revenue	17,886	-	6,644	335,030
Transfers from capital	21,503	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	220,156	22,920	8,766	369,766
Deduct				
Debt charges	-	-	-	-
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	613,550	100,000	3,000	556,330
Total Expenses	613,550	100,000	3,000	556,330
Change in Fund Balance	(393,394)	(77,080)	5,766	(186,564)
Accumulated Surplus, end of year	\$ 204,085	\$ 835,418	\$ 80,459	\$ 1,137,932

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational and Cultural Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Pender Island Parks & Recreation Capital Reserve	Galiano Island Parks & Recreation Capital Reserve	Royal Theatre Capital Reserve	Salt Spring Island Parks & Recreation Capital Reserve
Opening balance	\$ 367,005	\$ 64,905	\$ 867,191	\$ 410,214
Add				
Other revenue from own sources:				
Interest earnings	10,589	2,011	29,678	10,830
Other revenues	-	245,548	-	-
Sale of services	-	-	-	-
Transfers from own funds:				
Transfers from revenue	75,015	18,567	378,000	49,532
Transfers from capital	7,454	5,500	-	9,987
Transfers from ERF	-	-	-	-
Total Revenue	93,058	271,626	407,678	70,349
Deduct				
Debt charges	-	-	-	93
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	37,236	48,000	39,796	109,873
Total Expenses	37,236	48,000	39,796	109,966
Change in Fund Balance	55,822	223,626	367,882	(39,617)
Accumulated Surplus, end of year	\$ 422,827	\$ 288,531	\$ 1,235,073	\$ 370,597

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational and Cultural Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Mayne Island Park Land Capital Reserve	Salt Spring Island Parks Capital Reserve	Salt Spring Island Parks Service Area Capital Reserve	McPherson Theatre Capital Reserve
Opening balance	\$ 110,463	\$ 77,459	\$ -	\$ 2,210,452
Add				
Other revenue from own sources:				
Interest earnings	3,030	1,948	-	64,601
Other revenues	-	-	-	-
Sale of services	-	-	-	-
Transfers from own funds:				
Transfers from revenue	25,348	13,600	-	348,233
Transfers from capital	1,547	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	29,925	15,548	-	412,834
Deduct				
Debt charges	-	-	-	-
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	21,000	29,308	-	232,783
Total Expenses	21,000	29,308	-	232,783
Change in Fund Balance	8,925	(13,760)	-	180,051
Accumulated Surplus, end of year	\$ 119,388	\$ 63,699	\$ -	\$ 2,390,503

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational and Cultural Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Salt Spring Island Pool Facility Capital Reserve	Galiano Community Use Building Capital Reserve	Regional Parks Capital Reserve	SSI Library Building Capital Reserve
Opening balance	\$ 97,461	\$ 79,756	\$ 1,103,934	\$ 64,670
Add				
Other revenue from own sources:				
Interest earnings	3,795	2,278	27,051	1,629
Other revenues	-	-	-	-
Sale of services	-	-	-	-
Transfers from own funds:				
Transfers from revenue	-	9,823	-	31,732
Transfers from capital	2,199	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	5,994	12,101	27,051	33,361
Deduct				
Debt charges	-	-	5,339	-
Other operating expenses	-	-	-	-
Transfers to own funds:				
Transfers to capital	5,000	8,750	-	41,150
Total Expenses	5,000	8,750	5,339	41,150
Change in Fund Balance	994	3,351	21,712	(7,789)
Accumulated Surplus, end of year	\$ 98,455	\$ 83,107	\$ 1,125,646	\$ 56,881

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational and Cultural Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Recreation & Cultural Equipment Replacement Fund
Opening balance	\$ 2,469,056
Add	
Other revenue from own sources:	
Interest earnings	21,544
Other revenues	68,425
Sale of services	-
Transfers from own funds:	
Transfers from revenue	-
Transfers from capital	-
Transfers from ERF	1,210,031
Total Revenue	1,300,000
Deduct	
Debt charges	-
Other operating expenses	-
Transfers to own funds:	
Transfers to capital	891,136
Total Expenses	891,136
Change in Fund Balance	408,864
Accumulated Surplus, end of year	\$ 2,877,920

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	S.P.W.W.S. Sewer Debt Capital Reserve	Sidney Treatment Plant Capital Reserve	Maliview Estates Sewer Capital Reserve	Magic Lake Estates Sewer System Capital Reserve
Opening balance	\$ 1,812,916	\$ 982,118	\$ 26,389	\$ 306,661
Add				
Government transfers	111,829	-	-	-
Other revenue from own sources:				
Interest earnings	45,956	27,389	988	9,432
Transfers from own funds:				
Transfers from revenue	367,930	-	51,652	37,914
Transfers from capital	302,000	-	-	20,646
Transfers from ERF	-	-	-	-
Total Revenue	827,715	27,389	52,640	67,992
Deduct				
Debt charges	26,911	-	-	-
Transfers to own funds:				
Transfers to capital	871,866	-	-	-
Transfers to reserve	600,000	-	-	-
Transfers to ERF	-	-	-	-
Total Expenses	1,498,777	-	-	-
Change in Fund Balance	(671,062)	27,389	52,640	67,992
Accumulated Surplus, end of year	\$ 1,141,854	\$ 1,009,507	\$ 79,029	\$ 374,653

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Port Renfrew Sewer System Capital Reserve	Trunk Sewers & Sewage Disposal Facilities Capital Reserve	Northeast Trunk Sewer Capital Reserve	Ganges Sewer LSA Capital Reserve
Opening balance	\$ 7,612	\$ 1,258,955	\$ -	\$ 864,625
Add				
Government transfers	-	-	-	-
Other revenue from own sources:				
Interest earnings	296	33,509	-	19,593
Transfers from own funds:				
Transfers from revenue	16,402	-	-	-
Transfers from capital	687	-	-	30,823
Transfers from ERF	-	-	-	-
Total Revenue	17,385	33,509	-	50,416
Deduct				
Debt charges	-	-	-	-
Transfers to own funds:				
Transfers to capital	-	(57,436)	-	222,000
Transfers to reserve	-	-	-	-
Transfers to ERF	-	-	-	100,000
Total Expenses	-	57,436	-	322,000
Change in Fund Balance	17,385	(23,927)	-	(271,584)
Accumulated Surplus, end of year	\$ 24,997	\$ 1,235,028	\$ -	\$ 593,041

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Salt Spring Island Septage Capital Reserve	Sewer Equipment Replacement Fund	Core Area Wastewater Capital Reserve	Core Area Wastewater Debt Reserve
Opening balance	\$ 171,856	\$ 6,239,965	\$ 3,913,637	\$ 6,389,959
Add				
Government transfers	-	-	-	-
Other revenue from own sources:				
Interest earnings	3,111	54,247	131,588	277,105
Transfers from own funds:				
Transfers from revenue	34,501	-	3,198,206	4,821,437
Transfers from capital	13,914	-	-	-
Transfers from ERF	-	1,741,225	-	-
Total Revenue	51,526	1,795,472	3,329,794	5,098,542
Deduct				
Debt charges	-	-	-	-
Transfers to own funds:				
Transfers to capital	70,000	370,613	1,500,000	-
Transfers to reserve	-	-	-	-
Transfers to ERF	-	-	-	-
Total Expenses	70,000	370,613	(1,500,000)	-
Change in Fund Balance	(18,474)	1,424,859	1,829,794	5,098,542
Accumulated Surplus, end of year	\$ 153,382	\$ 7,664,824	\$ 5,743,431	\$ 11,488,501

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Saanich Peninsula Water Supply Capital Reserve	Magic Lake Estates Water System Capital Reserve	Lyll Harbour/Boot Cove Water Service Capital Reserve	Port Renfrew Sewer & Water Capital Reserve
Opening balance	\$ 6,221,195	\$ 1,151,915	\$ 23,956	\$ 52,500
Add				
Other revenue from own sources:				
Interest earnings	141,835	40,748	789	1,511
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	1,106,841	-	7,426	4,562
Transfers from capital	-	747	-	-
Transfers from ERF	-	-	-	-
Total Revenue	1,248,676	41,495	8,215	6,073
Deduct				
Debt charges	-	9,863	-	-
Transfers to own funds:				
Transfers to capital	2,052,028	62,162	-	-
Total Expenses	2,052,028	72,025	-	-
Change in Fund Balance	(803,352)	(30,530)	8,215	6,073
Accumulated Surplus, end of year	\$ 5,417,843	\$ 1,121,385	\$ 32,171	\$ 58,573

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Cedars of Tuam Water Capital Reserve	Surfside Park Estates Water Capital Reserve	Skana Water Service Capital Reserve	Sticks Allison Water Capital Reserve
Opening balance	\$ 12,164	\$ 65,217	\$ 39,384	\$ 4,250
Add				
Other revenue from own sources:				
Interest earnings	231	1,888	497	142
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	-	3,000	1,757	7,000
Transfers from capital	-	-	-	-
Transfers from ERF	-	-	-	-
Total Revenue	231	4,888	2,254	7,142
Deduct				
Debt charges	-	-	-	-
Transfers to own funds:				
Transfers to capital	5,000	-	30,000	-
Total Expenses	5,000	-	30,000	-
Change in Fund Balance	(4,769)	4,888	(27,746)	7,142
Accumulated Surplus, end of year	\$ 7,395	\$ 70,105	\$ 11,638	\$ 11,392

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Beddis Water Capital Reserve	Fulford Water Capital Reserve	Wilderness Mountain Capital Reserve	Cedar Lane Water Capital Reserve
Opening balance	\$ 23,782	\$ 85,499	\$ 47,351	\$ 42,387
Add				
Other revenue from own sources:				
Interest earnings	16	339	1,202	290
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	33,191	25,319	-	10,966
Transfers from capital	10,099	8,979	-	-
Transfers from ERF	-	-	-	-
Total Revenue	43,306	34,637	1,202	11,256
Deduct				
Debt charges	165	52	-	-
Transfers to own funds:				
Transfers to capital	62,725	90,500	5,000	36,500
Total Expenses	62,890	90,552	5,000	36,500
Change in Fund Balance	(19,584)	(55,915)	(3,798)	(25,244)
Accumulated Surplus, end of year	\$ 4,198	\$ 29,584	\$ 43,553	\$ 17,143

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Water Equipment Replacement Fund	Highland Fernwood Water Capital Reserve
Opening balance	\$ 5,149,738	\$ 52,129
Add		
Other revenue from own sources:		
Interest earnings	44,500	3,195
Other revenues	35,061	-
Transfers from own funds:		
Transfers from revenue	-	38,016
Transfers from capital	-	-
Transfers from ERF	627,675	-
Total Revenue	707,236	41,211
Deduct		
Debt charges	-	-
Transfers to own funds:		
Transfers to capital	41,650	52,000
Total Expenses	41,650	52,000
Change in Fund Balance	665,586	(10,789)
Accumulated Surplus, end of year	\$ 5,815,324	\$ 41,340

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Environmental Health Capital Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Solid Waste Capital Reserve	Port Renfrew Solid Waste Capital Reserve	Environmental Health Equipment Replacement Fund
Opening balance	\$ 20,667,518	\$ 55,260	\$ 3,083,908
Add			
Other revenue from own sources:			
Interest earnings	421,329	1,326	22,912
Transfers from own funds:			
Transfers from revenue	9,411,012	4,001	-
Transfers from capital	-	463	-
Transfers from ERF	-	-	1,070
Total Revenue	9,832,341	5,790	23,982
Deduct			
Debt charges	(5,973)	-	-
Transfers to own funds:			
Transfers to capital	(6,115,000)	25,000	474,376
Transfers to reserve	(8,476)	-	-
Total Expenses	6,129,449	25,000	474,376
Change in Fund Balance	3,702,892	(19,210)	(450,394)
Accumulated Surplus, end of year	\$ 24,370,410	\$ 36,050	\$ 2,633,514

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Electoral Area Elections Operating Reserve	Land Bank & Housing Operating Reserve
Opening balance	\$ 103,359	\$ 206,353
Add		
Other revenue from own sources:		
Interest earnings	1,162	5,776
Transfers from own funds:		
Transfers from revenue	143,037	193,049
Transfers from reserve	-	-
Total revenue	144,199	198,825
Deduct		
Other operating expenses	-	-
Transfers to revenue	122,457	-
Transfers to capital	-	-
Transfers to ERF	-	-
Total expenses	122,457	-
Change in fund balance	21,742	198,825
Accumulated surplus, end of year	\$ 125,101	\$ 405,178

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	ES HQ Admin Operating Reserve
Opening balance	\$ 44,741
Add	
Other revenue from own sources:	
Interest earnings	1,248
Transfers from own funds:	
Transfers from revenue	15,000
Transfers from reserve	-
Total revenue	16,248
Deduct	
Other operating expenses	-
Transfers to revenue	-
Transfers to capital	-
Transfers to ERF	-
Total expenses	-
Change in fund balance	16,248
Accumulated surplus, end of year	\$ 60,989

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	ES Protection Operating Reserve	ES Engineering Operating Reserve	ES Water Quality Operating Reserve
Opening balance	\$ 785,349	\$ 447,017	\$ 398,285
Add			
Other revenue from own sources:			
Interest earnings	21,901	12,466	11,190
Transfers from own funds:			
Transfers from revenue	-	-	118,937
Transfers from reserve	-	-	-
Total revenue	21,901	12,466	130,127
Deduct			
Other operating expenses	-	-	-
Transfers to revenue	-	-	-
Transfers to capital	-	-	-
Transfers to ERF	-	-	-
Total expenses	-	-	-
Change in fund balance	21,901	12,466	130,127
Accumulated surplus, end of year	\$ 807,250	\$ 459,483	\$ 528,412

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	IW ES Ops Operating Reserve	Leg&Gen Operating Reserve	Facility Mgmt Operating Reserve	HQ Facility Operating Reserve
Opening balance	\$ 979,879	\$ 2,227,560	\$ 106,277	\$ 56,600
Add				
Other revenue from own sources:				
Interest earnings	27,326	62,121	2,964	1,578
Transfers from own funds:				
Transfers from revenue	-	771,224	14,105	154
Transfers from reserve	-	1,177,777	-	-
Total revenue	27,326	2,011,122	17,069	1,732
Deduct				
Other operating expenses	-	(595,121)	-	-
Transfers to revenue	-	(1,087,200)	-	-
Transfers to capital	-	(848,000)	-	-
Transfers to ERF	-	(250,000)	-	-
Total expenses	-	1,590,079	-	-
Change in fund balance	27,326	421,043	17,069	1,732
Accumulated surplus, end of year	\$ 1,007,205	\$ 2,648,603	\$ 123,346	\$ 58,332

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds General Government Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	SGI EA Admin Operating Reserve	Community Health Operating Reserve
Opening balance	\$ 97,705	\$ -
Add		
Other revenue from own sources:		
Interest earnings	2,686	93
Transfers from own funds:		
Transfers from revenue	54,666	58,504
Transfers from reserve	-	-
Total revenue	57,352	58,597
Deduct		
Other operating expenses	-	(20,008)
Transfers to revenue	40,250	-
Transfers to capital	-	-
Transfers to ERF	-	-
Total expenses	40,250	(20,008)
Change in fund balance	17,102	78,605
Accumulated surplus, end of year	\$ 114,807	\$ 78,605

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Animal Care Services Operating Reserve	Animal Care Legacy Operating Reserve	Electoral Area Soil Deposits & Removal Operating Reserve	Emergency Response 911 Projects Operating Reserve
Opening balance	\$ 75,699	\$ 517,235	\$ 70,228	\$ 172,903
Add				
Other revenue from own sources:				
Interest earnings	2,067	14,512	1,958	3,552
Other revenues	-	10,587	-	-
Transfers from own funds:				
Transfers from revenue	20,000	-	2,489	1,860
Total revenue	22,067	25,099	4,447	5,412
Deduct				
Transfers to revenue	22,494	-	-	71,541
Transfers to capital	-	16,217	-	-
Transfers to ERF	-	110,928	-	-
Total expenses	22,494	127,145	-	71,541
Change in fund balance	(427)	(102,046)	4,447	(66,129)
Accumulated surplus, end of year	\$ 75,272	\$ 415,189	\$ 74,675	\$ 106,774

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	HAZMAT Incident Response Operating Reserve	Noise Control Operating Reserve	Nuisance & Unightly Premises Operating Reserve
Opening balance	\$ 106,444	\$ 15,454	\$ 11,693
Add			
Other revenue from own sources:			
Interest earnings	2,880	431	326
Other revenues	-	-	-
Transfers from own funds:			
Transfers from revenue	20,147	5,920	6,981
Total revenue	23,027	6,351	7,307
Deduct			
Transfers to revenue	10,633	-	-
Transfers to capital	-	-	-
Transfers to ERF	-	-	-
Total expenses	10,633	-	-
Change in fund balance	12,394	6,351	7,307
Accumulated surplus, end of year	\$ 118,838	\$ 21,805	\$ 19,000

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	SIGI Emergency Program Operating Reserve	SSI Emergency Program Operating Reserve	Regional Emergency Program Operating Reserve	Building Inspection Operating Reserve
Opening balance	\$ 175,223	\$ 62,611	\$ 91,024	\$ 292,078
Add				
Other revenue from own sources:				
Interest earnings	4,975	1,730	2,071	7,594
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	59,033	10,000	-	379,262
Total revenue	64,008	11,730	2,071	386,856
Deduct				
Transfers to revenue	-	2,000	56,199	66,235
Transfers to capital	-	-	-	-
Transfers to ERF	-	-	-	-
Total expenses	-	2,000	56,199	66,235
Change in fund balance	64,008	9,730	(54,128)	320,621
Accumulated surplus, end of year	\$ 239,231	\$ 72,341	\$ 36,896	\$ 612,699

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Protective General Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Emergency Planning Operating Reserve
Opening balance	\$ 61,439
Add	
Other revenue from own sources:	
Interest earnings	1,608
Other revenues	-
Transfers from own funds:	
Transfers from revenue	10,000
Total revenue	11,608
Deduct	
Transfers to revenue	12,674
Transfers to capital	-
Transfers to ERF	-
Total expenses	12,674
Change in fund balance	(1,066)
Accumulated surplus, end of year	\$ 60,373

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Fire Protection Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Durrance Road Fire Operating Reserve	Electoral Area Fire Services Operating Reserve
Opening balance	\$ 2,517	\$ 336,571
Add		
Other revenue from own sources:		
Interest earnings	76	8,926
Transfers from own funds:		
Transfers from revenue	358	33,572
Total revenue	434	42,498
Deduct		
Transfers to revenue	-	55,270
Total expenses	-	55,270
Change in fund balance	434	(12,772)
Accumulated surplus, end of year	\$ 2,951	\$ 323,799

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Planning & Development Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Climate Action & Adapt Operating Reserve	GIS Data Maintenance Operating Reserve	JDF Community Planning Operating Reserve	Regional Growth Strategy Operating Reserve
Opening balance	\$ 85,456	\$ 367	\$ 315,239	\$ 1,569,948
Add				
Other revenue from own sources:				
Interest earnings	5,248	760	8,498	43,831
Transfers from own funds:				
Transfers from revenue	845,876	53,272	97,161	132,832
Total revenue	851,124	54,032	105,659	176,663
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	35,270	15,354
Total expenses	-	-	35,270	15,354
Change in fund balance	851,124	54,032	70,389	161,309
Accumulated surplus, end of year	\$ 936,580	\$ 54,399	\$ 385,628	\$ 1,731,257

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Planning & Development Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Regional Planning Services Operating Reserve	SSI Econ Develop Operating Reserve	SGI Econ Develop Operating Reserve	GeoSpatial Referencing Operating Reserve
Opening balance	\$ 2,298,461	\$ 8,680	\$ 6,493	\$ -
Add				
Other revenue from own sources:				
Interest earnings	48,991	225	181	-
Transfers from own funds:				
Transfers from revenue	207,188	18,292	1,490	10,863
Total revenue	256,179	18,517	1,671	10,863
Deduct				
Transfers to own funds:				
Transfers to revenue	857,305	2,000	-	-
Total expenses	857,305	2,000	-	-
Change in fund balance	(601,126)	16,517	1,671	10,863
Accumulated surplus, end of year	\$ 1,697,335	\$ 25,197	\$ 8,164	\$ 10,863

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational & Cultural Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Regional Parks Operating Reserve	Regional Parks Legacy Operating Reserve	Panorama Recreation Operating Reserve
Opening balance	\$ 94,704	\$ 15,885	\$ 312,705
Add			
Other revenue from own sources:			
Interest earnings	2,642	464	8,862
Other revenues	-	1,000	-
Transfers from own funds:			
Transfers from revenue	-	-	71,559
Transfers from reserve	-	-	7,961
Total revenue	2,642	1,464	88,382
Deduct			
Transfers to revenue	-	-	-
Total expenses	-	-	-
Change in fund balance	2,642	1,464	88,382
Accumulated surplus, end of year	\$ 97,346	\$ 17,349	\$ 401,087

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational & Cultural Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Sooke & EA Rec Facilities Operating Reserve	Seaparc Legacy Operating Reserve	Arts and Culture Grants Operating Reserve	SSI Pool Park Land Operating Reserve
Opening balance	\$ 26,899	\$ 1,960	\$ 305,205	\$ 35,689
Add				
Other revenue from own sources:				
Interest earnings	750	55	8,512	975
Other revenues	-	-	-	-
Transfers from own funds:				
Transfers from revenue	5,000	-	8,392	5,000
Transfers from reserve	-	-	-	-
Total revenue	5,750	55	16,904	5,975
Deduct				
Transfers to revenue	-	-	-	23,083
Total expenses	-	-	-	23,083
Change in fund balance	5,750	55	16,904	(17,108)
Accumulated surplus, end of year	\$ 32,649	\$ 2,015	\$ 322,109	\$ 18,581

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Recreational & Cultural Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	SSI Community Recreation Operating Reserve
Opening balance	\$ 8,222
Add	
Other revenue from own sources:	
Interest earnings	229
Other revenues	-
Transfers from own funds:	
Transfers from revenue	-
Transfers from reserve	-
Total revenue	229
Deduct	
Transfers to revenue	8,000
Total expenses	8,000
Change in fund balance	(7,771)
Accumulated surplus, end of year	\$ 451

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	East Coast Interceptor Operating Reserve	LWMP Core & WS Operating Reserve	LWMP Onsite Operating Reserve	LWMP Peninsula Operating Reserve
Opening balance	\$ -	\$ 986,281	\$ 329,009	\$ 54,632
Add				
Other revenue from own sources:				
Interest earnings	-	17,398	9,175	1,524
Transfers from own funds:				
Transfers from revenue	-	122,957	46,049	79,155
Transfers from reserve	-	-	-	-
Total revenue	-	140,355	55,224	80,679
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	-	-
Transfers to capital	-	400,000	-	-
Total expenses	-	400,000	-	-
Change in fund balance	-	(259,645)	55,224	80,679
Accumulated surplus, end of year	\$ -	\$ 726,636	\$ 384,233	\$ 135,311

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	North East Trunk Sewer Operating Reserve	North East Trunk #2 Operating Reserve	North West Trunk Sewer Operating Reserve	S.P.W.W.S. Sewer Operating Reserve
Opening balance	\$ -	\$ -	\$ -	\$ 580,413
Add				
Other revenue from own sources:				
Interest earnings	-	-	-	17,206
Transfers from own funds:				
Transfers from revenue	-	-	-	10,000
Transfers from reserve	-	-	-	50,640
Total revenue	-	-	-	77,846
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	-	-
Transfers to capital	-	-	-	-
Total expenses	-	-	-	-
Change in fund balance	-	-	-	77,846
Accumulated surplus, end of year	\$ -	\$ -	\$ -	\$ 658,259

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Magic Lake Sewer Operating Reserve	SSI Septage Composting Operating Reserve	Maliview Sewer Operating Reserve	Ganges Sewer Operating Reserve
Opening balance	\$ 33,825	\$ 12,475	\$ 29,082	\$ 73,603
Add				
Other revenue from own sources:				
Interest earnings	990	366	961	3,315
Transfers from own funds:				
Transfers from revenue	13,260	7,789	13,000	29,090
Transfers from reserve	-	-	-	-
Total revenue	14,250	8,155	13,961	32,405
Deduct				
Transfers to own funds:				
Transfers to revenue	25,000	-	12,000	10,000
Transfers to capital	-	-	-	-
Total expenses	25,000	-	12,000	10,000
Change in fund balance	(10,750)	8,155	1,961	22,405
Accumulated surplus, end of year	\$ 23,075	\$ 20,630	\$ 31,043	\$ 96,008

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Sewer Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Port Renfrew Sewer Operating Reserve	Core Area Wastewater Operating Reserve
Opening balance	\$ 349	\$ 7,698,621
Add		
Other revenue from own sources:		
Interest earnings	28	258,766
Transfers from own funds:		
Transfers from revenue	4,000	1,635,748
Transfers from reserve	-	1,039,992
Total revenue	4,028	2,934,506
Deduct		
Transfers to own funds:		
Transfers to revenue	-	-
Transfers to capital	-	-
Total expenses	-	-
Change in fund balance	4,028	2,934,506
Accumulated surplus, end of year	\$ 4,377	\$ 10,633,127

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Beddis Water Operating Reserve	Cedar Lane Water Operating Reserve	Fulford Water Operating Reserve	Highland/ Fernwood Water Operating Reserve
Opening balance	\$ 9,752	\$ 3,027	\$ 13,576	\$ 22,784
Add				
Other revenue from own sources:				
Interest earnings	418	104	227	746
Transfers from own funds:				
Transfers from revenue	15,000	7,200	10,601	34,036
Total revenue	15,418	7,304	10,828	34,782
Deduct				
Transfers to own funds:				
Transfers to revenue	8,000	5,000	20,000	27,000
Total expenses	8,000	5,000	20,000	27,000
Change in fund balance	7,418	2,304	(9,172)	7,782
Accumulated surplus, end of year	\$ 17,170	\$ 5,331	\$ 4,404	\$ 30,566

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Lyll Harbour Boot Cove Operating Reserve	Magic Lake Estates Water Operating Reserve	Surfside Park Water Operating Reserve	Sticks Allison Water Operating Reserve
Opening balance	\$ 815	\$ 59,516	\$ 24,374	\$ 1,426
Add				
Other revenue from own sources:				
Interest earnings	116	2,138	718	113
Transfers from own funds:				
Transfers from revenue	10,000	(16,150)	(10,837)	10,894
Total revenue	10,116	(14,012)	(10,119)	11,007
Deduct				
Transfers to own funds:				
Transfers to revenue	-	-	-	5,000
Total expenses	-	-	-	5,000
Change in fund balance	10,116	(14,012)	(10,119)	6,007
Accumulated surplus, end of year	\$ 10,931	\$ 45,504	\$ 14,255	\$ 7,433

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Water Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Skana Water Operating Reserve	Cedar of Tuam Water Operating Reserve	Wilderness Mt Water Operating Reserve	Port Renfrew Water Operating Reserve
Opening balance	\$ 1,041	\$ 11,461	\$ 11,613	\$ 4,071
Add				
Other revenue from own sources:				
Interest earnings	164	313	269	100
Transfers from own funds:				
Transfers from revenue	4,887	(1,407)	4,395	10,000
Total revenue	5,051	(1,094)	4,664	10,100
Deduct				
Transfers to own funds:				
Transfers to revenue	-	2,500	10,000	13,000
Total expenses	-	2,500	10,000	13,000
Change in fund balance	5,051	(3,594)	(5,336)	(2,900)
Accumulated surplus, end of year	\$ 6,092	\$ 7,867	\$ 6,277	\$ 1,171

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Environmental Health Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Regional Source Control Operating Reserve	Saanich Peninsula Source Control Operating Reserve	Solid Waste Operating Reserve	Stormwater Quality Core Operating Reserve
Opening balance	\$ 515,778	\$ 45,322	\$ 39,976,688	\$ 191,512
Add				
Other revenue from own sources:				
Interest earnings	14,384	1,264	816,610	5,341
Transfers from own funds:				
Transfers from revenue	-	1,593	1,306,720	82,333
Total revenue	14,384	2,857	2,123,330	87,674
Deduct				
Transfers to revenue	32,092	-	-	-
Transfers to capital	-	-	15,190,000	-
Total expenses	32,092	-	15,190,000	-
Change in fund balance	(17,708)	2,857	(13,066,670)	87,674
Accumulated surplus, end of year	\$ 498,070	\$ 48,179	\$ 26,910,018	\$ 279,186

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Environmental Health Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	Stormwater Quality Sannich Pen Operating Reserve	Stormwater Quality SGI Operating Reserve	Stormwater Quality SSI Operating Reserve	Stormwater Quality Sooke Operating Reserve
Opening balance	\$ 25,101	\$ 13,535	\$ 57,225	\$ 43,550
Add				
Other revenue from own sources:				
Interest earnings	700	377	1,596	1,214
Transfers from own funds:				
Transfers from revenue	18,356	6,885	19,124	5,648
Total revenue	19,056	7,262	20,720	6,862
Deduct				
Transfers to revenue	-	-	-	-
Transfers to capital	-	-	-	-
Total expenses	-	-	-	-
Change in fund balance	19,056	7,262	20,720	6,862
Accumulated surplus, end of year	\$ 44,157	\$ 20,797	\$ 77,945	\$ 50,412

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Reserve Funds Transportation Operating Reserves

Statement of Continuity (Unaudited)

For the Year Ended December 31, 2022

	SSI Transit Operating Reserve	SSI Transportation Operating Reserve
Opening balance	\$ 302,186	\$ 13,600
Add		
Other revenue from own sources:		
Interest earnings	7,345	468
Transfers from own funds:		
Transfers from revenue	13,265	5,000
Total revenue	20,610	5,468
Deduct		
Transfers to own funds:		
Transfers to revenue	130,000	-
Total expenses	130,000	-
Change in fund balance	(109,390)	5,468
Accumulated surplus, end of year	\$ 192,796	\$ 19,068

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Schedule of Safe Restart Grant (Unaudited)

For the Year Ended December 31, 2022

	2022			2021		
Beginning Balance			\$ 344,724			\$ 1,118,800
Safe Restart Grant Received	\$ -			\$ 575,000		
Safe Restart Grant to be Allocated			\$ 344,724			\$ 1,693,800
Eligible Costs by Service	Allocated	Spent	Remaining	Allocated	Spent	Remaining
<i>Regional</i>						
Corporate Emergency Service	276,930	205,088	71,842	1,193,800	916,870	276,930
	276,930	205,088	71,842	1,193,800	916,870	276,930
<i>Juan de Fuca</i>						
JDF Grants-in-Aid	18,505	18,505	-	61,078	42,573	18,505
JDF Planning	-	-	-	8,750	8,750	-
Willis Point Fire Protection	1,919	1,919	-	7,220	5,301	1,919
Otter Point Fire Department	-	-	-	7,480	7,480	-
East Sooke Fire Department	1,833	1,833	-	7,200	5,367	1,833
East Sooke Fire Department	-	-	-	3,690	3,690	-
Port Renfrew Fire Department	-	-	-	8,260	8,260	-
Shirley Fire Department	-	-	-	7,200	7,200	-
JDF Parks	2,455	2,455	-	7,140	4,685	2,455
JDF Community Recreation	-	-	-	3,982	3,982	-
	24,712	24,712	-	122,000	97,288	24,712
<i>SEAPARC</i>						
SEAPARC	-	-	-	1,000	1,000	-
	-	-	-	1,000	1,000	-
<i>Salt Spring Island</i>						
SSI Administration	8,082	446	7,636	11,800	3,718	8,082
SSI Grants-in-Aid	35,000	25,000	10,000	35,000	-	35,000
SSI Economic Development	-	-	-	10,000	10,000	-
SSI Community Parks	-	-	-	125,937	125,937	-
SSI Parks and Recreation	-	-	-	40,000	40,000	-
SSI Parks and Recreation	-	-	-	1,335	1,335	-
SSI Park Land and Pool	-	-	-	39,928	39,928	-
	43,082	25,446	17,636	264,000	220,918	43,082
<i>Southern Gulf Islands</i>						
SGL Grants-in-Aid	-	-	-	113,000	113,000	-
	-	-	-	113,000	113,000	-
Total Eligible Costs	344,724	255,246	89,478	1,693,800	1,349,076	344,724
Ending Balance, Unspent			\$ 89,478			\$ 344,724
Ending Balance, Unallocated			\$ -			\$ -

Note to Schedule:

The Province of British Columbia announced in September 2020 funding of up to \$425 million for local government operations impacted by COVID-19. This funding is to support local governments as they deal with increased operating costs and lower revenue due to COVID-19. It will ensure local governments can continue to deliver the services people depend on in their communities. Eligible costs include:

- addressing revenue shortfalls
- facility reopening and operating costs
- emergency planning and response costs
- bylaw enforcement and protective services like fire protection and police
- computer and other electronic technology costs
- services for vulnerable persons
- other related costs

These statements should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes.

Capital Regional District Other Financial Statement Analysis

Appendix C: Other Financial Statement Analysis

The audit has now been completed. The 2022 Audited Financial Statements have been prepared by management in accordance with Canadian Public Sector Accounting Board (PSAB) Standards. Under PSAB regulations, governments are required to present five statements with explanatory notes. The first two statements are summarized in the staff report. This appendix provides a summary of the remaining statements.

3. Consolidated Statement of Change in Net Debt

The Statement of Change in Net Debt reconciles current to prior year and informs the reader of change drivers. Included in this statement are expenditures that could be incurred in the year but not consumed during the period. Table 8 summarizes the primary drivers of changes in net debt for 2022:

Table 8 – Change in Net Debt Year over Year (\$ millions)

Description	2022	2021
Annual Surplus	67.9	172.7
Acquisition of Tangible Capital Assets	(99.0)	(240.3)
Contributed Tangible Capital Assets	(2.7)	(7.8)
Amortization of Tangible Capital Assets	61.3	58.5
Loss/Proceeds on Disposal of Tangible Capital Assets	1.9	0.6
Inventory and Prepaid Expenses	(0.1)	(0.8)
Net Remeasurement Gain/(Loss)	(5.6)	(1.6)
Total Change in Net Debt	23.7	(18.7)
Net Debt, Beginning of Year	(99.0)	(80.3)
Net Debt, End of Year	(\$75.3)	(\$99.0)

Overall, the net debt position decreased by \$23.7 million, primarily due to an annual surplus of \$67.9 million, less \$99 million spent on tangible capital assets, less \$2.7 million of contributed assets, and an increase of \$61.3 million from amortization, and other minor expenses or losses incurred during the period not yet realized.

4. Consolidated Statement of Remeasurement Gains and Losses

As required by PSAB standards, investments are carried at fair value and result in remeasurement gains or losses annually. Gains or losses remain unrealized until they are disposed, at which point they are recognized through the Statement of Operations.

Table 9 – Change in Remeasurement Gains and Losses Year over Year (\$ millions)

Description	2022	2021
Accumulated Remeasurement, Beginning of Year	(1.0)	0.6
Net Remeasurement Gains (Losses)	(5.6)	(1.6)
Accumulated Remeasurement, End of Year	(\$6.6)	(\$1.0)

The \$5.6 million net unrealized remeasurement loss is largely a due to a decrease in fair value of investments held in MFA funds. The accumulated remeasurement loss at the end of 2022 is \$6.6 million, down from the \$1.0 million remeasurement loss at the end of 2021.

5. Consolidated Statement of Cash Flows

The Statement of Cash Flows reports the sources and uses of cash during the period, and provides information about capital, investing, and financing activities.

Table 10 – Change in Cash and Cash Equivalents Year over Year (\$ millions)

Description	2022	2021
Operating Activities	159.5	127.8
Capital Activities	(98.9)	(176.7)
Investing Activities	(136.5)	(29.4)
Financing Activities	(11.6)	45.5
Net Change in Cash & Cash Equivalents	(87.5)	(32.8)
Cash & Cash Equivalents, Beginning of Year	144.1	176.9
Cash & Cash Equivalents, End of Year	\$56.6	\$144.1

Overall, the CRD's cash position decreased by \$87.5 million in 2022.

Operating activities resulted in a net increase to cash and was higher than the prior year, despite an \$84.2 million decrease in government transfers revenue. This increase is due to \$31.0 million in additional accounts receivable collected, an increase of \$6.4 million in accounts payable at year end, and \$61.3 million in non-cash amortization expenses in the year.

Cash outflows due to capital activities were lower than prior year due to WTP capital additions being significantly lower than previous years as the project is substantially complete. The decrease of \$98.9 million relates to the acquisition of capital assets in the year.

Investing activities resulted in cash outflows of \$136.5 million due to transferring working capital balances into the investment portfolio to maximize returns on higher interest rates for term deposits and GICs.

Financing (debt) activities resulted in a decrease of \$11.6 million to cash for the year as less borrowing was needed to finance capital additions compared to the prior year and total debt held by the CRD was reduced.

Capital Regional District DBRS Rating Methodology

Methodology

Rating Canadian Municipal Governments

DBRS Morningstar

April 2022

Previous Release

May 2021

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Related Research

DBRS Morningstar is a full-service credit rating agency established in 1976. Spanning North America, Europe, and Asia, DBRS Morningstar is respected for its independent, third-party evaluations of corporate and government issuers. DBRS Morningstar's extensive coverage of securitizations and structured finance transactions solidifies its standing as a leading provider of comprehensive, in-depth credit analysis.

All DBRS Morningstar ratings and research are available in hard-copy format and electronically on Bloomberg and at dbrsmorningstar.com, DBRS Morningstar's lead delivery tool for organized, web-based, up-to-the-minute information. DBRS Morningstar remains committed to continuously refining its expertise in the analysis of credit quality and is dedicated to maintaining objective and credible opinions within the global financial marketplace.

Scope and Limitations

This methodology represents the current DBRS Morningstar approach for rating Canadian municipal governments. It includes consideration of historical and expected business and financial risk factors as well as sector-specific issues, regional nuances, and other subjective factors and intangible considerations. DBRS Morningstar's approach incorporates a combination of both quantitative and qualitative factors. This methodology provides guidance regarding the DBRS Morningstar methods used in the sector and should not be interpreted with formulaic inflexibility, but rather should be understood in the context of the dynamic environment in which it is intended to be applied. The methods described herein may not be applicable in all cases; the considerations outlined in DBRS Morningstar methodologies are not exhaustive and the relative importance of any specific consideration can vary by issuer. In certain cases, a major strength can compensate for a weakness and, conversely, a single weakness can override major strengths of the issuer in other areas.

Introduction to DBRS Morningstar Methodologies

DBRS Morningstar publishes rating methodologies to give issuers and investors insight into the rationale behind DBRS Morningstar's rating opinions. In general terms, DBRS Morningstar ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. DBRS Morningstar ratings assess an issuer's ability to make timely payments on outstanding obligations (whether principal or interest), consistent with the terms of those obligations.

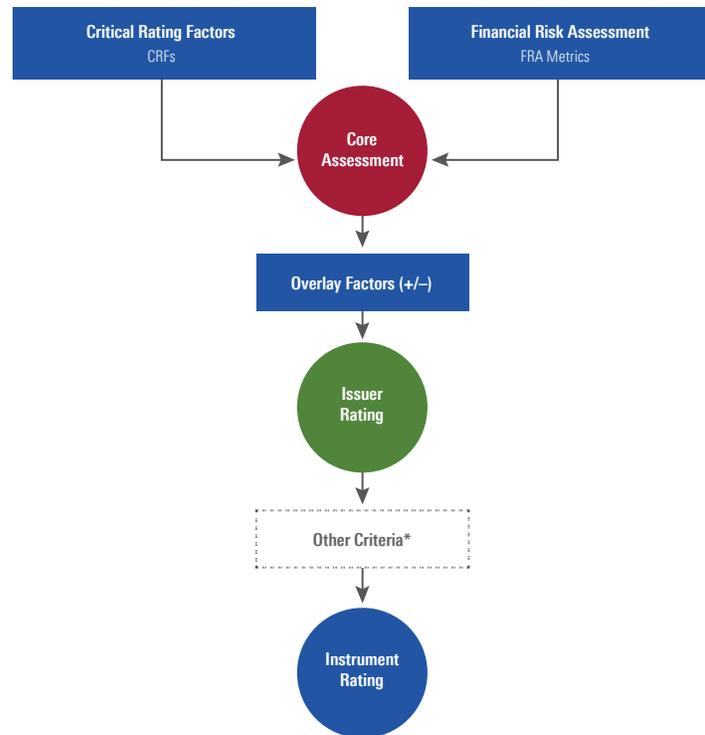
DBRS Morningstar operates with a stable rating philosophy; in other words, DBRS Morningstar strives to factor the impact of a cyclical economic environment into its ratings wherever possible, which minimizes rating changes caused by economic cycles. Rating revisions do occur, however, when more structural changes, either positive or negative, have occurred or appear likely to occur in the foreseeable future. DBRS Morningstar also publishes criteria, which are an important part of the rating process. Criteria typically cover areas that apply to more than one sector. Both methodologies and criteria are publicly available on DBRS Morningstar's website.

"DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings" is incorporated by reference into this methodology.

Overview of the DBRS Morningstar Rating Process

- As illustrated below, there are generally four key components to the DBRS Morningstar corporate rating process: (1) Critical Rating Factors (CRFs), (2) the Financial Risk Assessment (FRA), (3) overlay considerations, and (4) specific instrument considerations.
- The CRFs capture the major business risk aspects of the issuer and is determined by assessing each of the CRFs outlined in the industry-specific grid. The FRA pertains to financial soundness and is determined by assessing each of the FRA metrics. Throughout the FRA and CRF determination process, DBRS Morningstar performs a consistency check of these factors relative to the issuer's rated industry peers.
- The CRFs and FRA are then combined to derive the issuer's core assessment. For investment-grade credits, the CRFs will have greater weight than the FRA in determining the core assessment.
- The core assessment may then be adjusted up or down, as applicable, if any of the overlay factors is deemed applicable and material to the credit profile in order to arrive at the issuer rating, which represents DBRS Morningstar's assessment of the issuer's likelihood of default.
- The issuer rating is then used as the basis for specific instrument ratings, which may differ from the issuer rating due to seniority or, in the case of non-investment-grade issuers, expected recovery considerations. (See the Rating the Specific Instrument and Other Criteria section below.)

 DBRS Morningstar Rating Analysis Process



* Depending on the instrument, "other criteria" may include *DBRS Morningstar Criteria: Recovery Ratings for Non-Investment Grade-Corporate Issuers* or *DBRS Morningstar Criteria: Preferred Share and Hybrid Security Criteria for Corporate Issuers*, for example. Please refer to the Rating the Specific Instrument and Other Criteria section below for a list of these criteria, as well as other criteria that may be applicable at any stage of the rating process.

Rating Canadian Municipalities—Overview

- This methodology applies to Canadian municipalities rated by DBRS Morningstar. Large local governments generally have a stable revenue base owing to well-defined though limited taxing powers, a basket of responsibilities for the provision of customary public services, developed and diverse economic and taxable assessment bases, and relatively supportive senior governments, which lend support to their credit ratings.
- Nonetheless, economic disparities, varying approaches to fiscal and financial management, capital investment requirements, and debt levels are only a few of the considerations that lead to differing credit quality among major Canadian cities. Overall, large Canadian municipalities currently rank solidly in the investment-grade category.
- While municipalities benefit from their relationship with senior governments, municipal governments are primarily rated based on their own merits, and DBRS Morningstar does not assume any implicit senior government support.

Critical Rating Factors

The table below presents the primary factors (and various subfactors) used by DBRS Morningstar in determining the overall critical rating assessment. Although they are important considerations in the determination of a municipality's rating, these factors only represent a portion of considerations factored into the assessment process, as explained throughout this methodology. While these CRFs are shown in general order of importance, depending upon a specific issuer's situation, this ranking can vary by issuer. The table is followed by a brief discussion of the characteristics of each factor.

Exhibit 1 Critical Rating Factors

	AAA	AA	A	BBB
Economic Structure				
The economic structure of a municipality constitutes a key consideration in the credit assessment of its government, as it is the primary determinant of the capacity of a government to raise the revenue necessary to deliver services and support its debt. This factor evaluates the municipality's economic diversification, volatility, growth potential, and propensity to create jobs and generate wealth.				
Economic Diversification and Volatility	<ul style="list-style-type: none"> The economy is viewed as highly dynamic and comprises a broad mix of industries, with no undue reliance on any single sector, which helps reduce volatility and cyclicalities in GDP growth. 	<ul style="list-style-type: none"> The economy is viewed as dynamic and boasts a relatively diversified mix of industries but may be influenced by a few large industries, resulting in average volatility overall. 	<ul style="list-style-type: none"> The economy may be relatively small or reliant on seasonal industries, with a limited number of key industries accounting for a substantial portion of economic activity, resulting in above-average volatility. 	<ul style="list-style-type: none"> The economy is relatively small or located far from a major urban centre, with one seasonal or challenged industry accounting for a substantial portion of economic activity.
Population and Taxable Assessment Growth	<ul style="list-style-type: none"> Population and taxable assessment growth have been consistently above the provincial average over the last five to ten years. 	<ul style="list-style-type: none"> Population and taxable assessment growth are sound and fairly consistent with the provincial average year over year. 	<ul style="list-style-type: none"> Population and/or taxable assessment growth has been steadily below the provincial average or inconsistent in recent years. 	<ul style="list-style-type: none"> Population is small and/or has been steadily declining in recent years. Assessment growth has been limited.
Income and Wealth of Local Economy	<ul style="list-style-type: none"> Income and taxable assessment per capita are above average relative to comparable issuers. 	<ul style="list-style-type: none"> Income and taxable assessment per capita are consistent with other comparable issuers. 	<ul style="list-style-type: none"> Income and taxable assessment per capita may be below the average of comparable issuers. 	<ul style="list-style-type: none"> Income and taxable assessment per capita are markedly below the average of comparable issuers, indicative of lower wealth levels and income potential.
Labour Market	<ul style="list-style-type: none"> The labour force is highly skilled, and unemployment is below average. The labour force is growing above the rate of population growth. 	<ul style="list-style-type: none"> The labour force is skilled, and unemployment is low and stable. The labour force is growing in line with average population growth. 	<ul style="list-style-type: none"> The job market is somewhat dynamic, although the unemployment rate may be somewhat above average. The labour force is growing below average population growth. 	<ul style="list-style-type: none"> The job market is less dynamic and is characterized by an unemployment rate that may be notably above the provincial average. The labour force is growing notably below average population growth or contracting.
Fiscal Management				
The review of a municipality's fiscal management framework assesses the government's commitment to fiscal sustainability, volatility of fiscal performance, budget management and prudence, relative tax competitiveness, and the transparency, timeliness and quality of reporting. DBRS Morningstar evaluates municipal service responsibilities, revenue potential, expenditure management capacity, and the broader coherence of the strategies, policies, and political processes governing the allocation of public funds.				
	AAA	AA	A	BBB
Fiscal Sustainability and Performance	<ul style="list-style-type: none"> Fiscal sustainability is a core political and administrative priority, with minimal 	<ul style="list-style-type: none"> Fiscal sustainability is emphasized by the government, but reliance on 	<ul style="list-style-type: none"> Fiscal sustainability is an objective of the government, but reliance on one-time 	<ul style="list-style-type: none"> Fiscal sustainability is not emphasized by the government, and reliance on

	<p>reliance on one-time measures or sizable tax and fee increases to balance the budget.</p> <ul style="list-style-type: none"> • Volatile or uncertain revenue sources account for a negligible share of the operating budget (<2%). • Consistent record of fiscal surpluses as measured by DBRS Morningstar. 	<p>one-time measures or sizable tax and fee increases may be exhibited periodically to balance the budget.</p> <ul style="list-style-type: none"> • Volatile or uncertain revenue sources account for a low share of the operating budget (<5%) but may be rising gradually. 	<p>measures or sizable tax and fee increases to balance the budget is more frequent.</p> <ul style="list-style-type: none"> • Volatile or uncertain revenue sources are moderate as a share of the operating budget (<10%) or are rising rapidly. 	<p>one-time measures to achieve budget balance is high.</p> <ul style="list-style-type: none"> • Volatile or uncertain revenue sources account for a material share of the operating budget (>10%) or are rising rapidly, and this poses greater risks to the budget framework.
		<ul style="list-style-type: none"> • Fiscal results, as measured by DBRS Morningstar, generally maintain a balanced position year over year. 	<ul style="list-style-type: none"> • Fiscal results, as measured by DBRS Morningstar, may exhibit greater volatility because of a lower ability to manage in-year budgetary pressures. 	<ul style="list-style-type: none"> • Fiscal results exhibit greater volatility and weakness because of a lower ability to manage in-year budgetary pressures. • Fiscal results, as measured by DBRS Morningstar, have generally been weaker and deficits more frequent.
Budget Management and Prudence	<ul style="list-style-type: none"> • Budgets are consistently balanced using very conservative assumptions and incorporating meaningful contingencies to help manage unforeseen events. • Demonstrated ability to address unexpected adverse budget deviations to protect fiscal balance. • Budget pressures are managed responsively through very tight expenditure controls or revenue-raising initiatives. 	<ul style="list-style-type: none"> • Budget contingencies vary year to year, although assumptions are generally conservative. • Demonstrated ability to address most unexpected adverse budget deviations to protect fiscal balance. • Budget pressures are managed over time through generally prudent expenditure management or revenue-raising initiatives. 	<ul style="list-style-type: none"> • Budget pressures tend to linger but are viewed as sustainable, although reliance on one-time funding and/or sizable tax increases to balance the budget is high. • Budget assumptions are considered to be adequately prudent, although the use of contingencies may be limited. • Reduced ability and/or willingness to manage budget pressures through meaningful expenditure restraint or revenue-raising initiatives. 	<ul style="list-style-type: none"> • Budget pressures tend to linger and are viewed as potentially unsustainable, resulting in steady reliance on one-time funding and/or sizable tax increases to balance the budget. • Budget assumptions are considered to be less prudent, resulting in more significant variances and use of contingencies. • Limited ability and/or willingness to manage budget pressures through meaningful expenditure restraint or revenue-raising initiatives.
Tax Competitiveness	<ul style="list-style-type: none"> • Property taxes and user fees are low, providing ample room to raise taxes if necessary. • Political willingness to raise taxes and fees to cover inflationary operating pressures and future capital investment needs. 	<ul style="list-style-type: none"> • Property taxes and user fees are in line with peers, providing moderate flexibility to raise taxes. • Political willingness to raise taxes and fees to cover inflationary operating pressures, but future capital investment needs may remain unfunded. 	<ul style="list-style-type: none"> • Property tax and user-fee burdens may already be somewhat high, limiting the ability to further raise taxes and fees if needed. • Limited political willingness to raise taxes and fees to cover either inflationary operating pressures or capital investment. 	<ul style="list-style-type: none"> • Tax and user-fee burdens are high, and delinquencies are building up. • Political resistance to raising taxes and fees to cover either inflationary operating pressures or capital investment.
Transparency and Reporting	<ul style="list-style-type: none"> • Fiscal management framework is very well developed and responsive, with detailed planning documents and clear presentation. • Budget documents are clearly comparable to reported financial results. 	<ul style="list-style-type: none"> • Fiscal management framework is well developed, with detailed planning documents. • Budget documents are somewhat comparable to reported financial results. • Transparency is good, and financial reporting is timely. 	<ul style="list-style-type: none"> • The fiscal management framework is well developed, but some key planning documents or reports may lack details. • Budget documents are somewhat comparable to reported financial results. 	<ul style="list-style-type: none"> • The fiscal management framework lacks structure. • Budget documents are not comparable with reported financial results. • Transparency and timeliness of financial reporting are weaker, with only limited planning documents.

- Transparency and timeliness in financial reporting are exemplary.

- Transparency and timeliness of financial reporting are considered adequate.

Debt and Liquidity Management

The financial management strategy and practices of a municipal government, including the requirements and financing strategy for capital investment, sophistication of debt and liquidity practices, debt structure and maturity profile, and other unfunded liabilities are central considerations in the determination of a municipal government rating.

	AAA	AA	A	BBB
Capital Investment Outlook	<ul style="list-style-type: none"> • Capital investment requirements for the foreseeable future are manageable and are not expected to pressure debt materially. 	<ul style="list-style-type: none"> • Capital investment requirements may be sizable, but they are not expected to put excessive pressure on debt. 	<ul style="list-style-type: none"> • Significant capital investment requirements have the potential to lead to significant increases in debt going forward, although management may have been successful at containing upward pressure in recent years. 	<ul style="list-style-type: none"> • Large current and future capital needs are expected to lead to rising debt.
Debt and Liquidity Management Practices	<ul style="list-style-type: none"> • Debt and liquidity management practices are highly sophisticated and very conservative. 	<ul style="list-style-type: none"> • Debt and liquidity management practices are sophisticated and conservative. 	<ul style="list-style-type: none"> • Debt and liquidity management practices are conservative but may lack formality or sophistication relative to those of frequent borrowers. 	<ul style="list-style-type: none"> • Debt and liquidity management practices are lacking structure and sophistication relative to those of frequent borrowers.
Debt Structure and Maturity Profile	<ul style="list-style-type: none"> • The debt structure is very prudent, with low refinancing risk, a smooth maturity profile, and minimal unhedged exposure to interest rate reset risk and foreign currency fluctuations. 	<ul style="list-style-type: none"> • The debt structure is prudent but may at times entail sizable refinancing needs, an uneven maturity profile, or modest exposure to interest rate reset risk. 	<ul style="list-style-type: none"> • The debt structure is prudent but may at times entail sizable refinancing due to an uneven maturity profile or moderate exposure to interest rate reset risk. 	<ul style="list-style-type: none"> • The debt structure is less prudent and at times entails sizable refinancing due to an uneven maturity profile or more material exposure to interest rate reset risk.
Pension and Benefits Liabilities	<ul style="list-style-type: none"> • Unfunded pension and postemployment benefit liabilities, if any, are low and being addressed. 	<ul style="list-style-type: none"> • Unfunded pension and postemployment benefit liabilities may be sizable but are being addressed. 	<ul style="list-style-type: none"> • Unfunded pension and postemployment benefit liabilities may be considerable and steadily growing. 	<ul style="list-style-type: none"> • Unfunded pension and postemployment benefit liabilities may be considerable and steadily growing, leading to pressure on operating results.

Relations with Senior Governments

Relations with senior governments influence the rating of municipal governments, as municipalities receive substantial senior government funding for capital projects and the delivery of certain programs from provincial and federal sources, share their tax base with their provincial and federal counterparts, and are bound by the broader legislative and regulatory frameworks set by provincial and federal governments in areas such as revenue-generating powers and service responsibilities.

	AAA	AA	A	BBB
Municipal Legislative Framework	<ul style="list-style-type: none"> • The legislative framework defining municipal responsibilities and revenue-generating powers is supportive and fosters financial sustainability. • Adequate provincial monitoring is provided. 	<ul style="list-style-type: none"> • The legislative framework defining municipal responsibilities and revenue-generating powers is supportive and fosters financial sustainability. • Adequate provincial monitoring is provided. 	<ul style="list-style-type: none"> • The legislative framework defining municipal responsibilities and revenue-generating powers is rigid and may lack the guidelines necessary to foster financial sustainability. • Provincial monitoring is more limited. 	<ul style="list-style-type: none"> • The legislative framework defining municipal responsibilities and revenue-generating powers is weak and lacks the guidelines necessary to foster financial sustainability. • Provincial monitoring is potentially insufficient.

Senior Government Funding	<ul style="list-style-type: none"> • Sizable and reliable funding support is provided by senior governments, particularly for major capital investments and social services. 	<ul style="list-style-type: none"> • Senior government funding support is meaningful and relatively reliable but may display volatility depending on the economic and fiscal environment. 	<ul style="list-style-type: none"> • Senior government funding support is somewhat less meaningful as a share of revenues and is less reliable and predictable. • Funding displays greater volatility depending on the economic and fiscal environment. 	<ul style="list-style-type: none"> • Senior government funding support is viewed as unreliable or inadequate, with a higher level of volatility depending on the economic and fiscal environment.
Relations with Senior Governments	<ul style="list-style-type: none"> • Co-operative relationship with senior governments and record of supportive tax and program policy objectives. • Limited interference by senior governments in traditional areas of municipal responsibility. 	<ul style="list-style-type: none"> • Reasonable level of co-operation with senior governments, although policy objectives may diverge in some areas. • Some interference by senior governments in traditional areas of municipal responsibility. 	<ul style="list-style-type: none"> • Less co-operative relationships with senior governments. • Direct but infrequent interference by senior governments in traditional areas of municipal responsibility. • History of downloading of service responsibilities with little accompanying fiscal support from senior governments. 	<ul style="list-style-type: none"> • Contentious relationships with senior governments. • Direct interference by senior governments in traditional areas of municipal responsibility. • History of downloading of service responsibilities with no accompanying fiscal support from senior governments.

Discussion of Critical Rating Factors

Economic Structure

- The economic structure of a municipality constitutes an important consideration in the credit assessment of its government, as it is the primary determinant of the capacity of a government to raise the revenue necessary to fulfill its service responsibilities and support its debt.
- A large and diversified economy that is well integrated into the provincial transportation network will generally tend to experience more consistent growth in GDP, a steady population, and taxable assessment growth over the longer term, and it will display better labour market outcomes than smaller, more isolated commodity-based or seasonal municipal economies.
- In the analysis of a suburban commuter municipality highly reliant on a neighbouring urban municipality for employment, DBRS Morningstar may consider some of the larger city's economic fundamentals, provided the municipality being rated is strongly integrated into its larger neighbour and is likely to retain this relationship over time because of its proximity, competitive taxes, and/or considerable availability of land for development, among other factors.

Fiscal Management

- DBRS Morningstar considers the political and administrative commitment to fiscal sustainability, as evidenced by public statements, strategy documents, political/administrative policies, processes, or commitments. Strategies employed to maintain fiscal balance are considered, with one-time measures, deferrals, reserve draws, or reliance on volatile or uncertain revenue sources (e.g., real estate/land transfer taxes) generally viewed as weaknesses in the municipal fiscal management framework. DBRS Morningstar analyzes the volatility of fiscal results, which provides an indication of the government's commitment to maintaining a sound fiscal position.

- DBRS Morningstar evaluates budget management practices and prudence, including the conservatism of assumptions contained within operating/capital budgets, the presence of budget contingencies, and other forms of flexibility to respond to in-year pressures. DBRS Morningstar compares recent years' fiscal results with original budget estimates, examining the frequency and extent of major budget deviations.
- The municipality's fiscal capacity and relative tax and user fee burden is considered in relation to peers locally and nationally, as well as the willingness of political and administrative leaders to respond to both operating and capital pressures considering available revenue tools and provincially mandated service responsibilities.
- DBRS Morningstar considers the timeliness, breadth, and transparency of municipal budgeting and financial reporting as an indicator of the quality of the municipal fiscal framework.

Debt and Liquidity Management

- The financial management strategy and practices of a municipal government, including the requirements and financing strategy for capital investment, sophistication of its debt and liquidity management practices, debt structure and maturity profile, and other unfunded liabilities are central considerations in the determination of a municipal government rating.
- DBRS Morningstar examines current and projected levels of capital investments, as investment in physical infrastructure is the primary driver of borrowing needs based on provincial government prohibitions on debt for operating purposes.
- The government's financial management strategy, including the level of sophistication of its borrowing practices and overall debt structure, helps assess the potential volatility of debt-servicing requirements.
- DBRS Morningstar assesses the composition and maturity structure of the debt stock and its sensitivity to changes in interest and exchange rates (if applicable) and considers the full range of factors that could affect the debt burden and related servicing requirements to assess overall affordability. (See Appendix 1 for DBRS Morningstar's definition of tax-supported and self-supported debt).
- Although pension and employee future benefit liabilities are not included in the calculation of tax-supported debt for municipal governments, they are considered in the analysis of debt affordability to the extent that they will drive future cash funding requirements.

Relations with Senior Governments

- While the creditworthiness of a Canadian municipality is primarily driven by the fundamentals of that municipality, relations with the provincial and federal government may also have an influence on the rating.
- Municipalities receive substantial senior government funding for capital projects and the delivery of certain programs, share their tax base with their provincial and federal counterparts, and are bound by the broader legislative and regulatory frameworks set by the provincial government for revenue-generating powers and service responsibilities. Given these linkages, a stronger provincial and federal government credit profile implies a higher level and consistency of funding support to municipal governments.
- Service responsibilities, revenue-generating powers, and all other determining features of the operating framework of municipalities are defined by provincial governments. As a result, the responsiveness of a provincial government to the realities faced by municipal governments, as well as the various constraints

or flexibilities provided through the legislated framework, may also have significant implications for the credit profile of municipalities, highlighting the importance of considering the dynamic between municipalities and their respective provincial governments.

- DBRS Morningstar considers the current state and history of intergovernmental relations between municipalities and senior governments. The degree of intergovernmental co-operation and policy alignment, including potential interference by senior governments in areas of traditional municipal responsibility or the downloading of services with or without accompanying fiscal support, can have implications for the municipal government's financial outlook.

Financial Risk Assessment Factors

Primary FRA Factors

- Recognizing that any analysis of financial metrics may be prone to misplaced precision, DBRS Morningstar has limited its matrix of the key metrics below to a small sample of critical ratios. For each of these ratios, DBRS Morningstar provides a range within which the issuer's financial risk would be considered as supportive for the rating category. However, the wide range of municipalities in existence throughout Canada, especially in terms of size, location, economic diversification, and wealth, makes any attempt at generalization challenging and potentially misleading. As such, the values provided below are for Canada's larger cities with populations exceeding 300,000, as their credit profiles are generally supported by diversified economies and sophisticated management frameworks.
- This rating methodology can be used for smaller municipalities, although unique strengths or weaknesses such as overreliance on a single industry or location in a shrinking, economically challenged region may distort the analysis and reduce the relevance of the guidelines significantly, requiring financial metrics considerably stronger than noted below for a rating category.
- Furthermore, the ratings in the matrix below should not be understood as the final rating for a large city with matching metrics. The final rating is a blend of both the operating risk and financial risk considerations in their entirety.
- DBRS Morningstar ratings are based heavily on future performance expectations, so while past metrics are important, any final rating will incorporate DBRS Morningstar's opinion on future metrics based on the best available projections and assumptions of a government's future debt burden.
- It is also not uncommon for a government's key ratios to move in and out of the ranges noted in the ratio matrix above. In the application of this matrix, DBRS Morningstar looks beyond the point-in-time ratio.

Exhibit 2 Canadian Municipal Government Financial Risk Assessment Metrics

Key Ratio	AAA	AA	A	BBB
Net tax-supported debt per capita (\$) ¹	< 600	600 to 3,000	3,000 to 5,000	> 5,000
Net tax-supported debt as a percentage of taxable assessment (%)	< 0.5	0.5 to 2.0	2.0 to 6.0	> 6.0
Interest costs as a percentage of total revenues (%)	< 1.5	1.5 to 9.0	9.0 to 15.0	> 15.0
Net post-capital expenditure surplus (deficit) as a share of total revenues (five-year average; %)	> 5.0	5.0 to 0.0	0.0 to (5.0)	> (5.0)

¹ Refer to Appendix 1 for an explanation of DBRS Morningstar adjustments to reported financial figures. DBRS Morningstar notes that this metric is adjusted periodically.

General Considerations in Evaluating a Canadian Municipal Government's Credit Profile

Fiscal Balance

- Fiscal results are viewed by DBRS Morningstar as an indicator of management proficiency and commitment to fiscal sustainability. A municipal government's operating balance (operating revenues excluding capital revenues minus program expenditures excluding amortization expense) is an indicator of fiscal flexibility, while the net post-capital expenditures (capex) surplus (deficit) (operating balance minus net capex) better reflects overall fiscal sustainability and the potential financing requirements in each year.
- DBRS Morningstar notes that Canadian municipalities are required under legislation to balance their operating budgets, although capital investment and accounting consolidation may at times translate into sizable post-capex deficits and upward pressure on debt and tax rates.
- DBRS Morningstar views operating deficits negatively but will generally discount them if they are the result of nonrecurring events rather than a structural imbalance that the government shows little initiative in addressing. DBRS Morningstar refers to this practice as rating through the cycle.

Revenues

- The primary source of revenue for municipal governments is residential, commercial, and industrial property taxation. Other sources include user fees for services such as water and waste management, senior government grants, and earnings from government enterprises.
- While property tax revenues are subject to seasonal fluctuations based on tax collection dates, these dynamics are well understood and accounted for by municipal governments. Because Canadian municipalities do not tax income or consumption, they generally benefit from a more stable revenue base than provincial governments, as property taxation is also generally insulated from economic and home price cyclicity.
- Emphasis is placed on the resilience of major revenue sources, reliance on provincial government transfers, and competitiveness of the city's tax rates relative to neighbouring jurisdictions. DBRS Morningstar considers overreliance on uncertain or volatile revenue sources (e.g., real estate transfer taxes) to be a weakness in the fiscal management framework.
- Constraints in revenue-generating powers such as legislated caps on certain property tax rates, political willingness to raise taxes, and structural weaknesses in the government's tax system are also considered, including the ability of municipal revenue tools to adequately address inflationary pressures such as salary and benefit escalation and long-term capital investment requirements.
- DBRS Morningstar may make certain adjustments to reported revenue figures to exclude nonrecurring items and ultimately better reflect the underlying fiscal situation of a municipality.

Expenditures

- Municipal government expenditures are also generally predictable and considerably less exposed to demand pressures relative to provincial governments. They also follow patterns that do not vary significantly year to year.
- DBRS Morningstar distinguishes between three major types of expenditures: service and program expenses; capital investments and debt servicing, with an emphasis placed on identifying major trends; and actual and potential areas of pressures and sources of rigidities.

- In its analysis of program expenditures, DBRS Morningstar focuses on the government's primary service responsibilities and the relationship between key expenditure items and factors such as demographics and economic conditions to identify potential sources of fiscal volatility and pressure. Analysts review major program responsibilities established by the provincial government, focusing on the coherence and sustainability of programs and expected cost implications in relation to external revenue sources, if any, such as senior government grants.
- Capital investment accounts for a considerable portion of municipal spending. Municipal governments have some flexibility to manage and partially defer capital spending in the near term in response to both internal budget pressures and external factors, including variability in senior government capital funding. This has contributed to the buildup of significant deferred maintenance deficits in most large Canadian municipalities. However, over the long term, capital investment requirements represent the key driver of debt growth for municipal governments, which are only permitted to borrow for capital purposes.
- DBRS Morningstar considers the capital investment requirements faced by the municipality, including for the state of good repair of public infrastructure and for growth-related investments. This typically includes major public transit infrastructure, roadways and bridges, and municipal water and sewer systems. Financing methods and accounting rules for capital spending are also reviewed to understand the debt implications of projected capital needs.
- Debt servicing is the most rigid expenditure category and can constitute a meaningful portion of a government's budget. Thus the stability and trend of a municipality's debt servicing requirements are important considerations

Balance Sheet and Financial Flexibility Considerations

- The sustainability of a municipality's debt burden and balance sheet flexibility are central considerations in the determination of a credit rating. DBRS Morningstar examines current and projected levels of indebtedness and considers the full range of factors that could affect the debt burden and related servicing requirements.
- The primary focus is on tax-supported debt, which includes financial obligations for which taxpayers are directly accountable. This concept captures tax-supported debt directly issued by the municipality as well as the financial obligations of any other related tax-supported organization that is within municipal jurisdiction (e.g., transit authorities).
- Debt is measured by DBRS Morningstar net of sinking funds and other quality assets set aside explicitly for debt-retirement purposes. The tax-supported debt figure is compared with the municipality's taxable assessment base and on a per-capita basis to assess debt affordability. (See Appendix 1 for DBRS Morningstar's definition of tax-supported debt.)
- Self-supporting debt, which is issued by or for commercial or potentially commercial municipal government enterprises or assets and serviced by a distinct revenue stream (e.g., electric utilities or water services), is analyzed separately by DBRS Morningstar for its affordability and is generally allocated a lesser weighting in the credit review. (See Appendix 1 for DBRS Morningstar's definition of self-supporting debt.)
- Because of the general stability and predictability of revenue and expenditures, liquidity is typically not a material source of concern for Canada's major municipalities, but DBRS Morningstar conducts an

assessment to identify potential liquidity vulnerabilities (see the Overlay Factors: Liquidity section for more information).

Blending the CRFs and FRA into an Issuer Rating

- The core assessment is a blend of the CRFs and FRA. In most cases, the CRFs will have greater weight than the FRA in determining the issuer rating.
- At the low end of the rating scale, however, particularly in the B range and below, the FRA and liquidity factors play a much larger role. The CRFs would, therefore, receive a lower weighting than it would at higher rating levels.
- In addition, DBRS Morningstar also takes into consideration the volatility of an issuer's FRA in arriving at the final rating. An issuer with more volatile credit metrics than its industry peers may be rated lower than it would otherwise be based on a blend of the CRFs and FRA. The lower rating reflects the higher risk, especially in a downturn, associated with the increased volatility.

Overlay Factors

Liquidity

- Given the stability and predictability of municipal government revenues and expenditures, combined with legislative requirements to balance operating budgets, liquidity is typically not a material source of concern for Canada's major municipalities.
- External financing requirements for capital investment and refinancing needs have the potential to create liquidity pressures, although DBRS Morningstar notes that Canadian municipalities generally benefit from (1) access to the lending programs of provincially created municipal finance agencies (Municipal Finance Authority of B.C., Infrastructure Ontario, Alberta Capital Finance Authority, etc.); (2) widespread of sinking funds to retire maturing bullet debentures, largely eliminating refinancing risk for many municipalities and resulting in significant pools of available liquidity; and (3) the ability to partially defer or curtail capital investment in the near term to preserve cash and reserves, which combine to further mitigate concerns with respect to liquidity.
- Nonetheless, similar to other rated sectors, DBRS Morningstar conducts a qualitative liquidity assessment based on four key liquidity determinants (i.e., liquid reserves, capex financing, refinancing needs (if any), and access to external financing) in order to identify potential vulnerabilities in an issuer's liquidity profile.
- Material deficiencies identified in the liquidity assessment may exert downward pressure on the rating.

Ownership of Valuable Municipal Corporations

- DBRS Morningstar considers material benefits generated by the municipal ownership of self-supporting corporations as fulfilling commercial mandates. Electricity-generating utilities are the most common type of valuable corporations owned by major Canadian municipalities. These entities often generate steady dividend streams that contribute positively to fiscal results and could be monetized, if needed, to significantly reduce debt. However, ownership of poorly performing corporations can represent a drain on municipal resources and potentially add to tax-supported debt obligations.

ESG Considerations

- Environmental, Social, and Governance (ESG) factors may affect a credit rating and/or the related credit analysis. The impact of ESG factors may vary across industries, sectors, or asset classes and is described in the *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings*. Where an ESG factor is material to a corporate rating, but is not otherwise addressed in a BRA/FRA factor or other overlay, DBRS Morningstar will reflect the impact of the ESG factor on the rating through this general ESG overlay.

Rating the Specific Instrument and Other Criteria

- The issuer rating (which is an indicator of the probability of default of an issuer's debt) is the basis for rating specific instruments of an issuer, where applicable. DBRS Morningstar uses a hierarchy in rating long-term debt that affects issuers that have classes of debt that do not rank equally. In most cases, lower-ranking classes would receive a lower DBRS Morningstar rating. For more detail on this subject, please refer to the general rating information contained in DBRS Morningstar's *Credit Ratings Global Policy*.
- *In addition to this methodology, the following criteria may be used from time to time in determining a rating.*
- For a discussion of the relationship between short- and long-term ratings and more detail on liquidity factors, please refer to the DBRS Morningstar policy *Short-Term and Long-Term Rating Relationships* and *DBRS Morningstar Criteria: Commercial Paper Liquidity Support for Nonbank Issuers*.
- Guarantees and other types of support are discussed in *DBRS Morningstar Criteria: Guarantees and Other Forms of Support*.

Appendix 1: DBRS Morningstar Adjustments to Reported Financial Figures

In certain circumstances, DBRS Morningstar may adjust the financial results reported by a municipal government in order to (1) allow for a better comparison among peers, (2) capture all material tax-supported debt, (3) exclude debt deemed to be self-supporting within the reporting entity, and/or (4) present fiscal results that are more reflective of the impact of government activities on indebtedness. The most frequent adjustments relate to the following areas:

1. **Net Tax-Supported Debt:** In an effort to capture the full extent of debt obligations to the account of taxpayers, DBRS Morningstar sums the debt of all activities and entities supported in a significant fashion by tax proceeds, such as public transit, road investments, and general municipal services and operations. Tax-supported debt is measured by DBRS Morningstar net of sinking funds and other quality assets set aside explicitly for debt-retirement purposes.

Tax-supported debt includes direct debt and other long-term capital obligations such as capital leases or liabilities arising from public-private partnership (also known as Alternative Financing and Procurement) contracts if these obligations are materially supported by tax proceeds.

2. **Self-Supporting Debt:** DBRS Morningstar considers certain debt or long-term capital obligations as self-supporting and separate from the tax-supported debt burden. Debt or long-term capital obligations are considered self-supporting provided that the services or assets have commercial value and are operated on a commercially sustainable basis, are highly unlikely to require government support, and are mostly (if not entirely) supported by user fees, a rate base, a levy, or an otherwise distinct revenue stream (e.g., toll revenue) dedicated to servicing and repaying the associated debt or long-term capital obligation. DBRS Morningstar believes that these services or assets could potentially be monetized to repay the related debt obligations if the municipality faced serious financial stress. These activities may include municipal electricity generation and distribution, water treatment/distribution, and tolled transportation and transit infrastructure. Based on the proportion of the direct debt or long-term capital obligation that is serviced and repaid through a user fee, rate base, levy, or otherwise distinct revenue stream, DBRS Morningstar may, on a case-by-case basis, treat that proportion of the obligation as self-supporting.

In addition, DBRS Morningstar may consider debt leveraged against long-term senior government grants (e.g., federal fuel tax grants) to be self-supported and may therefore exclude such debt from tax-supported debt calculations provided (A) the grants fully cover debt servicing requirements of the related debt, (B) the term of the debt does not exceed the useful life of the assets being funded, (C) the municipality discloses the value of such debt in its financial statements, and (D) the

commitment from the senior government is secured in legislation or by established government policies.

3. **Capex Treatment:** DBRS Morningstar converts capex from an amortization basis to a pay-as-you-go basis to get fiscal results that are more reflective of the full extent of municipal government spending and of external financing needs for a given year.

4. **Nonrecurring Items:** Fiscal results sometimes include extraordinary items that introduce distortions in results and hinder year-over-year comparisons of results. These may include asset sales performed to boost revenues and balance budgets in challenging fiscal times, restructuring costs, or write-offs of tax receivables. DBRS Morningstar attempts to remove all material nonrecurring items from reported results in order to better understand the underlying fiscal position of a municipality.

Appendix 2: Key Financial Ratios

Exhibit 3 Key Financial Ratios

Net Tax-Supported Debt Per Capita	<p>Net tax-supported debt</p> <p>÷</p> <p>Total population of the municipality (as reported in most recent census or population estimate)</p> <p>Where, net tax-supported debt is gross market debt outstanding, less</p> <ul style="list-style-type: none"> • Self-supporting debt (see Appendix 1) • Dedicated debt retirement/sinking funds and debt reserves • Amounts recoverable from senior governments • Municipal government holdings of its own debt obligations (outside of sinking funds)
Net Tax-Supported Debt as a Percentage of Taxable Assessment	<p>Net tax-supported debt (see definition above)</p> <p>÷</p> <p>Total residential, commercial, industrial, and farm assessment value (as reported by the municipality or provincial government)</p>
Interest Costs as a Percentage of Total Revenues	<p>Interest charges on market debt outstanding (net of interest earned on sinking funds)</p> <p>÷</p> <p>Total revenues (net of interest earned on sinking funds)</p>
Net Post-Capex Surplus (Deficit) as a Share of Total Revenues (Five-Year Average)	<p>Operating surplus (deficit), net of amortization expenses</p> <p>–</p> <p>Net capex (gross capex, minus capital revenues (senior government grants and developer contributions))</p> <p>÷</p> <p>Total revenues</p>

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Capital Regional District Additional Financial Analysis

British Columbia, Canada
Fiscal year ended December 31, 2022



Making a difference...together

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Introduction

The financial performance of the organization is illustrated in the financial indicators contained in this appendix. These indicators should be read in conjunction with the 2022 Audited Financial Statements and accompanying notes. These measures demonstrate a consistent, healthy financial position based on current operational needs, existing market conditions and debt servicing costs. The debt ratios using the Dominion Bond Rating Service (DBRS) rating methodology demonstrate the CRD is able to meet its obligations and is unlikely to be adversely affected by future events.

DBRS is Canada's largest and the world's fourth largest credit rating agency, respected for its independent, third-party evaluation of credit quality. They publish research whitepapers describing their methodology of rating Canadian municipal governments (Appendix D). Their methodology includes analyzing the economic environment within which the government operates, and assessing fiscal management by looking at revenue generation, program responsibilities and fiscal discipline, as well as at the coherence and appropriateness of the strategies, policies and processes governing the planning and allocation of public funds. Other critical rating factors include financial management in terms of debt and liquidity, and relations with senior governments.

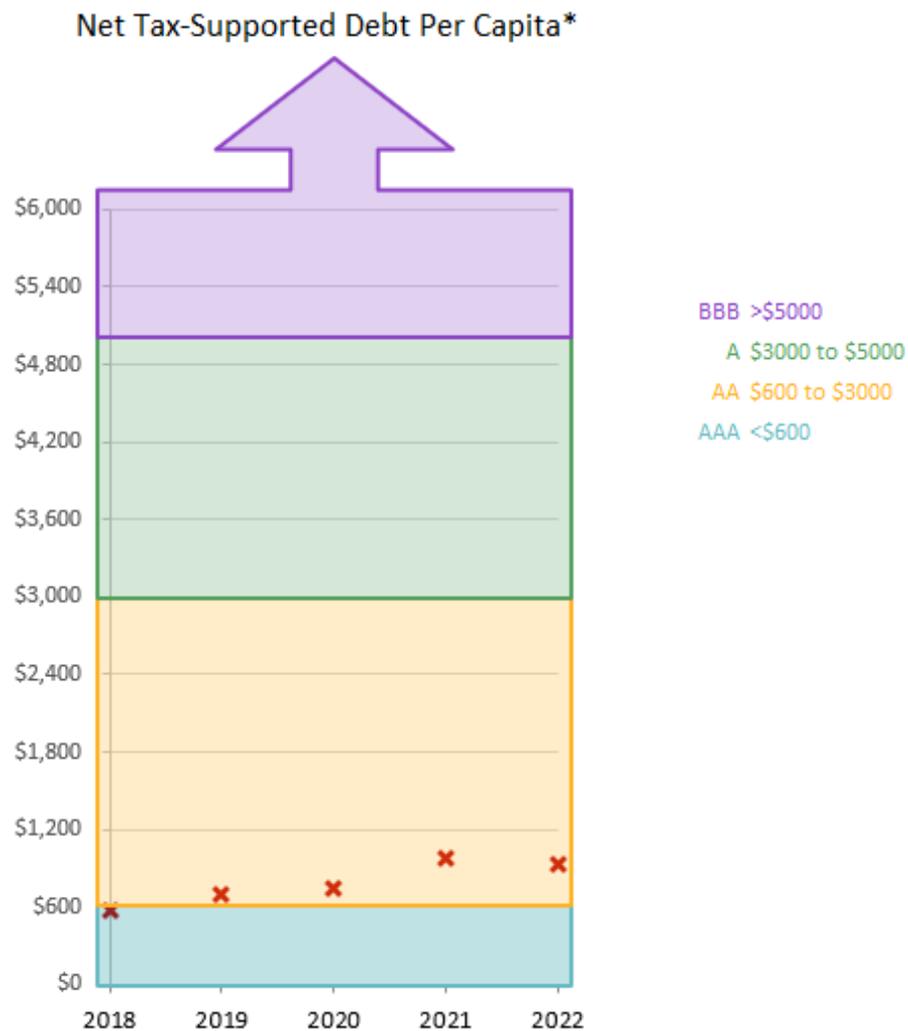
Although the final rating considers a blend of both operating risk and financial risk in their entirety, key ratios can provide a quick measure in assessing the government's financial strength— its ability to make timely payments on outstanding obligations (whether principal, interest, or other expenditures) with respect to the terms of the obligation. The following pages outline CRD key ratios.

The four ratings, from exceptional to adequate credit quality, are:

1. 'AAA' – The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.
2. 'AA' – The capacity for the payment of financial obligations is considered high. Differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events.
3. 'A' – The capacity for the payment of financial obligations is substantial. May be vulnerable to future events, but considered manageable.
4. 'BBB' – Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

1) Net Tax- Supported Debt Per Capita

Tax-Supported Debt includes financial obligations for which taxpayers are directly accountable. Net Tax-Supported Debt per Capita is a measure of CRD’s debt, excluding member municipality debt, expressed in terms of the amount attributable to each citizen under CRD’s jurisdiction. This indicator is an important factor when analyzing CRD’s ability to continue paying its debt service costs through current levels of tax revenue. In 2022, there was a \$17.5 million net decrease in debt. The net tax-supported debt per capita is \$922 as at fiscal end 2022 (\$983 – 2021), within the AA rating threshold of \$600 to \$3000. Decisions to fund investment through debt are managed through corporate guideline which considers ideal levels of reserve and debt based on asset life; aligning timing of cost recovery to timing of services benefit to community.

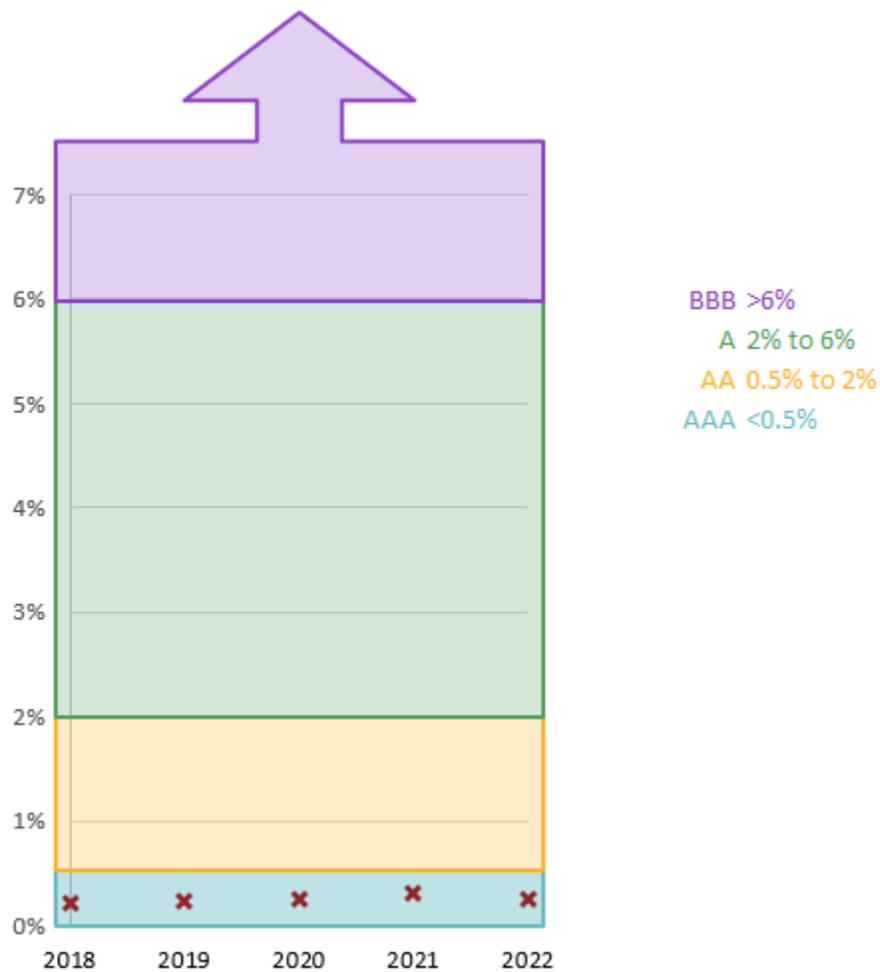


*NOTE: Does not include member municipality debt.
 Ratings assessed using DBRS methodology issued in April 2022

2) Net Tax-Supported Debt as a Percentage of Assessment

A second measure to assess debt affordability, this ratio takes the same net tax-supported debt as above and expresses it in terms of taxable assessment. This indicator is 0.25% in 2022 (0.32% - 2021), well within the AAA rating threshold of 0.5%.

Net Tax-Supported Debt as % of Assessment*

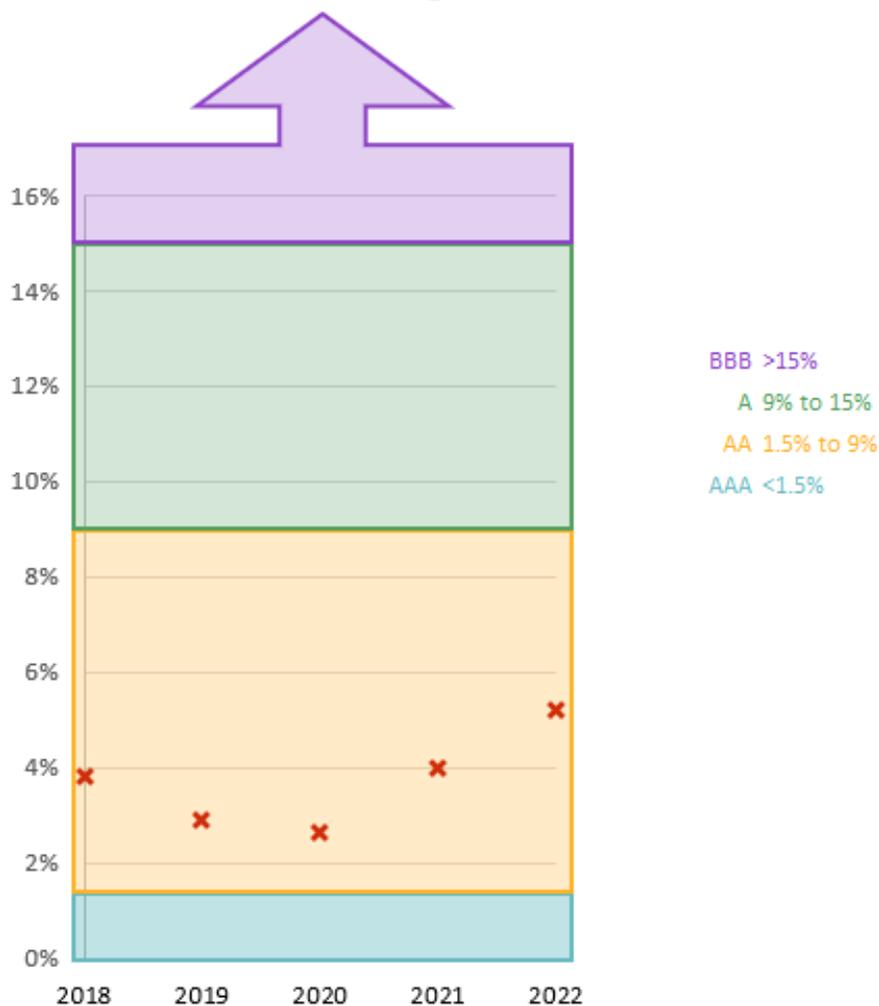


*NOTE: Does not include member municipality debt.

3) Interest Costs / Total Revenue

This is the percentage of revenue committed to payment of interest on temporary and long-term debt (excluding municipal debt). A high percentage indicates greater use of revenues for servicing interest on outstanding debt, and less ability to adjust to unplanned events and changing circumstances. Interest as a percentage of total revenue was 5.23% in 2022 (4.0% - 2021), still within a AA rating. This increase was driven by interest expense that was \$0.5 million higher due to a full calendar year of interest for the Residuals Treatment Facility P3 agreement, and a decrease in revenues from prior years during which significant capital grants were received for the WTP project. The percentage of revenue committed to debt repayment is monitored through corporate guideline by service, limiting commitments to within performance indicator benchmarks.

Interest Costs as a Percentage of Revenue*



*NOTE: does not include member municipality debt

4) Net Post-capex surplus (deficit) as a share of total revenues (5 year average)

The net post-capex surplus (deficit) (operating balance minus net capital expenditures) reflects overall fiscal sustainability in each year. Net Post-capex surplus as a share of total revenue, 5 year average, for 2018-2022 is 27.4%, resulting in an AAA rating. The improvement in this ratio from 2021 is due to the removal of 2017 figures which included significant WTP capital expenditures, but limited WTP grant revenues. During 2022, net surplus post-capex improved due to a decrease in capital expenditures of \$146.3 million and a decrease in capital revenues of \$124.9 million largely attributable to the completion of the WTP project.

	2017-2021 Average		2018-2022 Average	
<u>Surplus post-capex</u> Total Revenue	<u>89,947,533</u>	26.1%	<u>99,461,543</u>	27.4%
	344,722,440		362,871,505	
		AAA		AAA

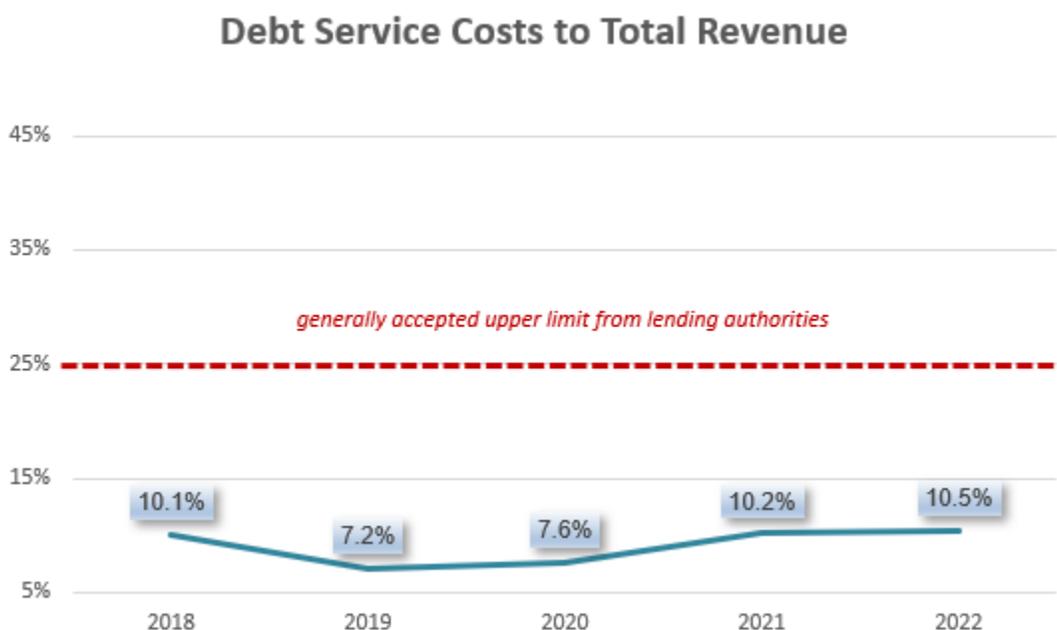
*NOTE: does not include member municipality debt

**NOTE: adjustments to prior year information were made for comparability

BBB	> -5.0%
A	0.0% to -5.0%
AA	5.0% to 0.0%
AAA	>5.0%

5) Debt Service Costs / Total Revenue

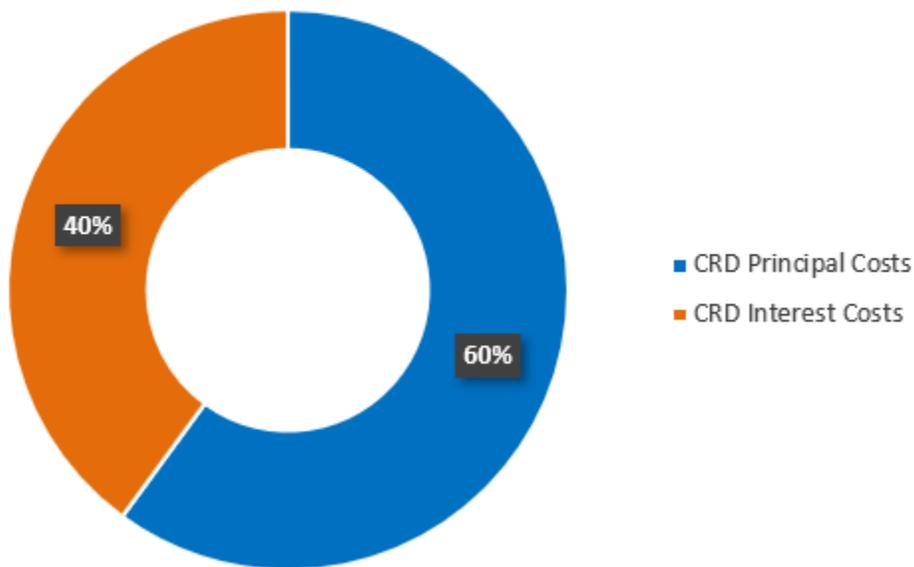
Related to indicator 3, this is the percentage of revenue committed to the payment of interest and principal on temporary and long-term debt. A high percentage indicates greater use of revenue for the repayment of debt, and less ability to adjust to unplanned events and changing circumstances. The CRD's average debt service cost (excluding municipal debt and normalized for WTP temporary financing transactions) to revenue for the last four years averages 8.8%, while the 2022 result is up to 10.5%. The debt service cost to total revenue increased from the prior years because those prior years included significant one-time grant revenues to fund the WTP project.



6) Principal and Interest as Proportion of Debt Service Costs

Debt servicing costs for debt incurred, through MFA or otherwise, will at first be primarily interest, with a small amount of principal included. As debt moves closer to maturity, the principal portion of the payment will increase, and the interest portion will decrease. This is due to the interest charge being calculated off the present outstanding balance of the debt, which decreases as more principal is repaid. The smaller the debt principal, the less interest is charged. In 2022, CRD's debt servicing costs (excluding municipal and WTP debt) show more principal repayment than interest, however a lower percentage was allocated to principal when compared to 2021 (62% principal costs).

2022 Debt Servicing Costs



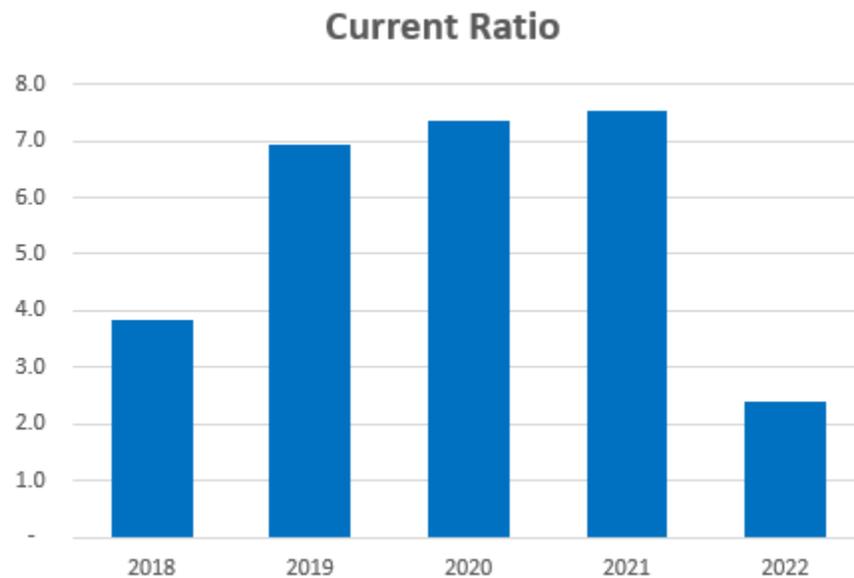
7) Current Ratio

The current ratio is a measure of the liquidity of an organization, meaning CRD's ability to meet current obligations (accounts payable) through current assets (cash and accounts receivable) of the organization. A high ratio indicates a greater ability to meet budgeted and unexpected expenditures. The current ratio has decreased to 2.4 for 2022 (adjusted to exclude balances for WTP) which was primarily driven by the CRD's treasury management strategy of shifting idle working capital from cash accounts into investments to take advantage of favorable interest rates. Generally, a current ratio greater than one is considered healthy for a government entity.

(in 000s)

	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual
<u>Current Assets</u>	<u>88,199</u>	<u>201,762</u>	<u>194,953</u>	<u>163,459</u>	<u>81,316</u>
<u>Current Liabilities</u>	<u>23,126</u>	<u>29,150</u>	<u>26,614</u>	<u>21,788</u>	<u>34,022</u>
	3.8 : 1	6.9 : 1	7.3 : 1	7.5 : 1	2.4 : 1

*Actual excludes WTP



*NOTE: Current assets include cash and cash equivalents. Cash equivalents include short-term highly liquid investments with a term to maturity of less than 90 days at acquisition.

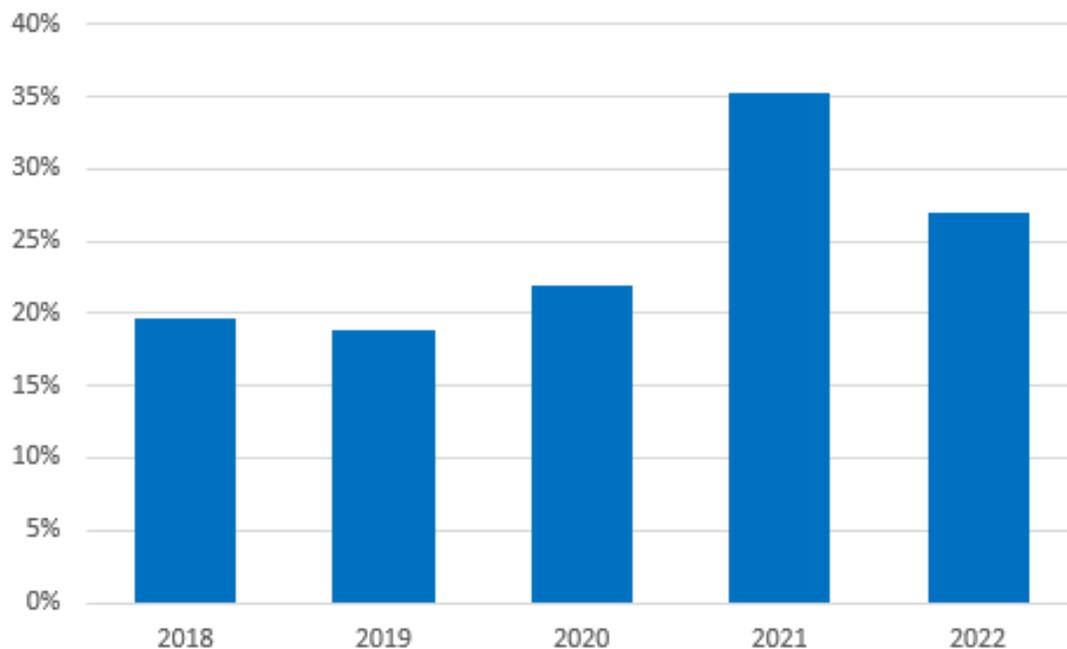
8) Contributions to Reserves / Total Reserves

The following graph shows the percentage of total reserve contributions to total reserve balances. For the previous four years, the CRD has been contributing an average of 23.8% per year to reserves. The CRD continues to contribute to reserves in order to sustain the existing infrastructure, maintain consistent debt servicing levels, and leverage grant funding.

(in 000s)

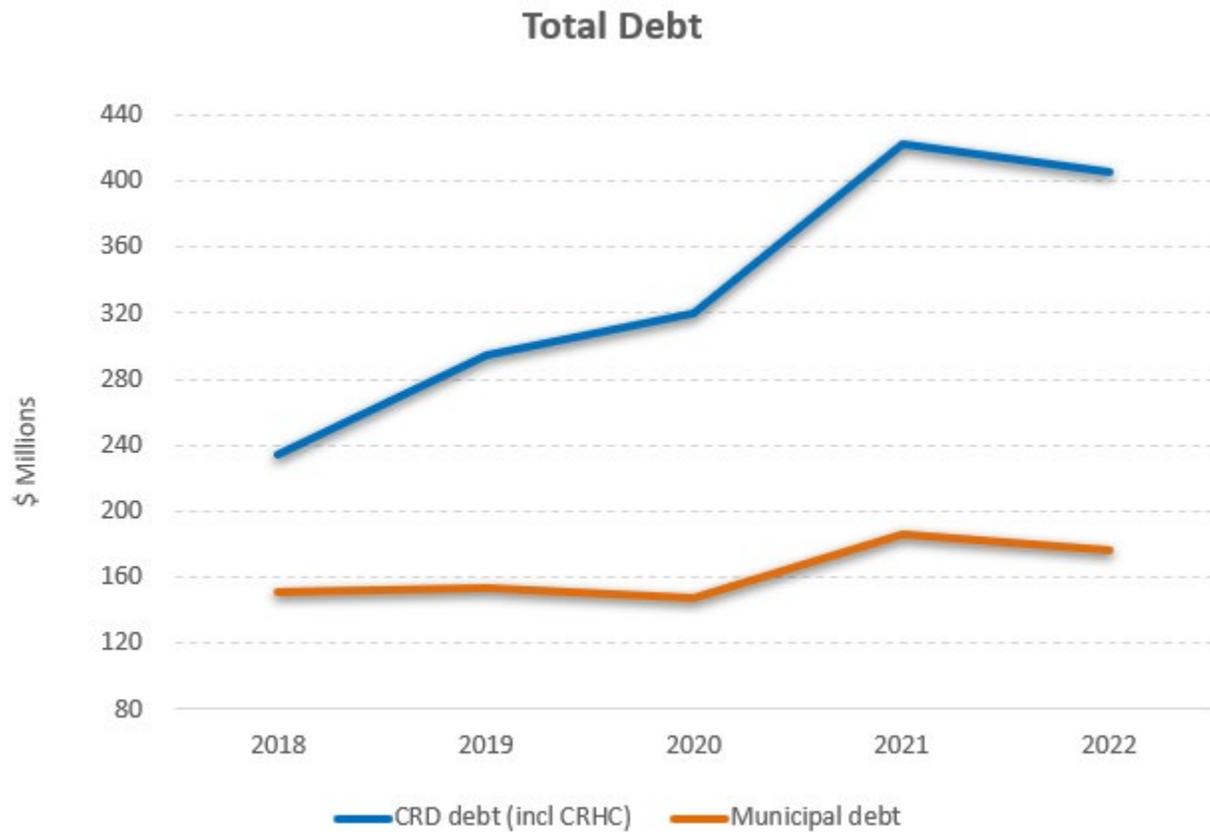
	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual
<u>Reserve Contributions</u>	<u>26,145</u>	<u>25,789</u>	<u>30,785</u>	<u>60,008</u>	<u>46,825</u>
Total Reserves	134,029	137,814	141,413	170,334	174,511
	19.5%	18.7%	21.8%	35.2%	26.8%

Total Contributions / Total Reserves



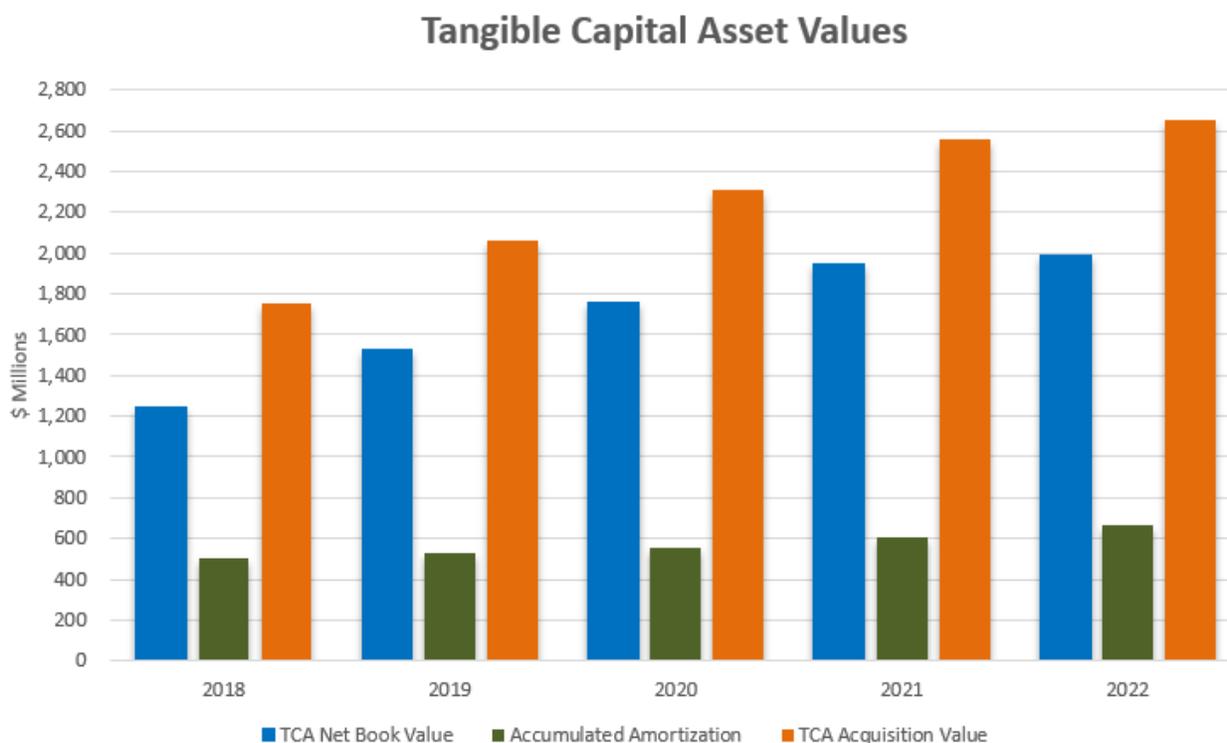
9) Total Debt

The CRD borrows long and short-term debt predominantly through the MFA that pools the borrowing and investment needs of BC communities to offer better rates through economies of scale. In addition to debt incurred directly, the CRD also incurs long-term debt on behalf of its member municipalities. The additional debt servicing costs are offset by corresponding receivables from municipalities. In 2022, there was a \$17.5 million net decrease in debt.



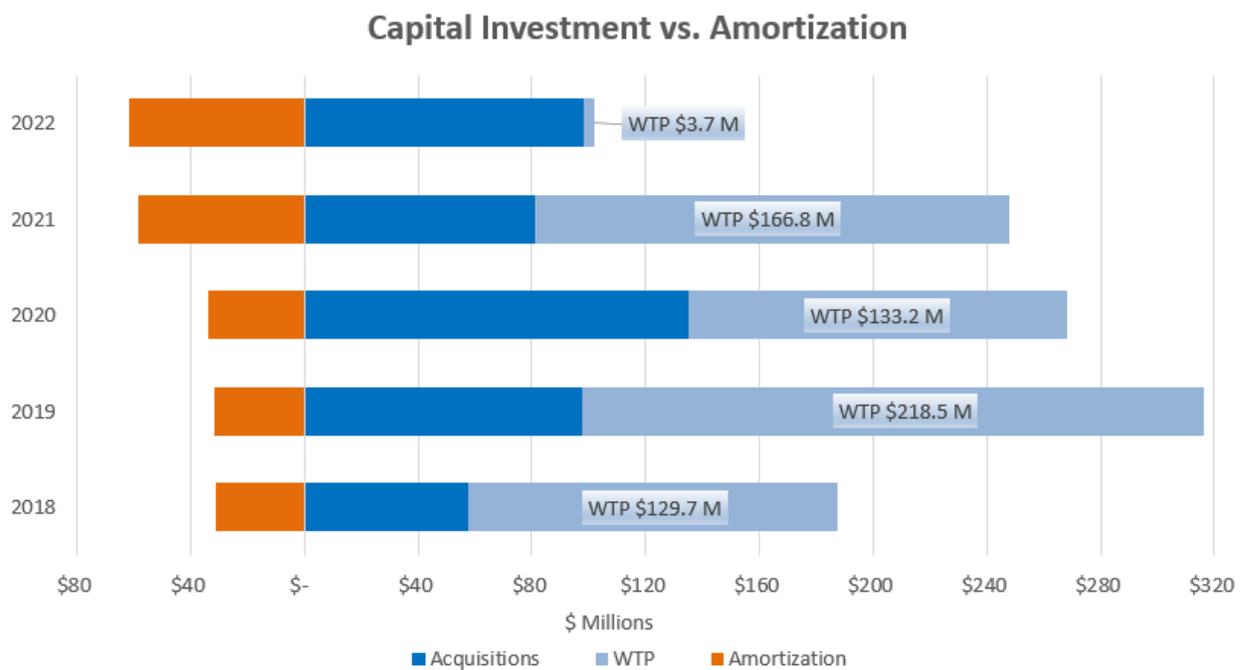
10) Tangible Capital Assets

CRD's tangible capital assets include land, engineering structures, buildings, equipment, and vehicles. Where assets have an anticipated useful life of more than one year, the practice is to amortize or allocate part of the asset's expense each year through its useful life, instead of expensing the entire cost in the year the asset was purchased. Net book value is an approximation of the remaining value of the assets that CRD uses in the provision of services. At the end of 2022, CRD has acquired a total \$2.65 billion in assets. After accumulated amortization, CRD is left with assets totaling a net book value of \$1.99 billion.

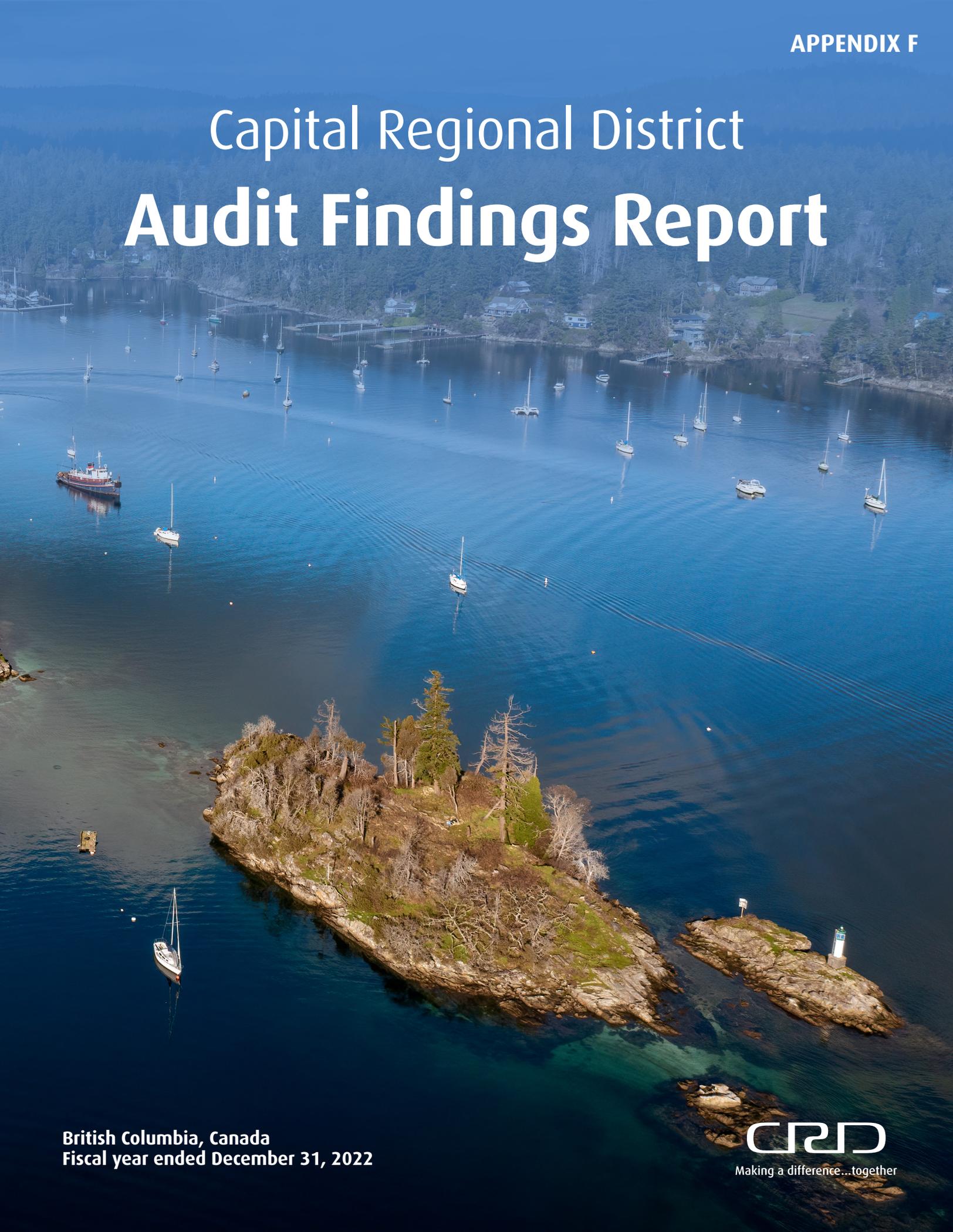


11) Capital Investment vs. Amortization

The amount spent on tangible capital assets or capital investment, less amortization is called net investment. If capital investment is consistently higher than amortization, net investment will be positive, indicating that productive capacity is increasing. Conversely, if capital investment is consistently lower than amortization, net investment will be negative, indicating that productive capacity is decreasing. On an annual basis, CRD is acquiring assets at a faster rate than assets are amortizing. In 2022, CRD was acquiring assets 1.66 times faster than amortization (a decrease from 4.24 times in 2021), indicating that productive capacity is increasing. The WTP project, which was a significant portion of the District’s total annual asset additions in the past 4 years, was substantially lower in 2022 as the project was completed and the final costs were incurred. The gap between acquisitions and amortization decreased in the year as expected with the completion of WTP.



Capital Regional District Audit Findings Report





Capital Regional District

Audit Findings Report
year ended December 31, 2022



For the meeting on May 3, 2023

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement

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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

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The purpose of this report is to assist you, as a member of the Finance Committee, in your review of the results of our audit of the financial statements as at and for the period ended December 31, 2022. This report builds on the Audit Plan we presented to the Finance Committee. This report is intended solely for the information and use of Management, the Finance Committee and the Board of Directors and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Audit highlights

Purpose of this report

The purpose of this report is to assist you, as a member of the Finance Committee (the "Committee"), in your review of the results of our audit of the consolidated financial statements of Capital Regional District ("CRD" or the "District") as at and for the year ended December 31, 2022.

Status of the audit

We have completed the audit of the consolidated financial statements, with the exception of certain remaining outstanding procedures, which are highlighted on page 5 of this report.

Significant changes to our audit plan

There were no significant changes to our audit plan which was originally communicated to you in the audit planning report.

Audit risks and results

Findings related to significant risks are discussed on page 6.



Audit risks and results – other focus areas



Findings related to other focus areas are discussed on pages 7 - 8.

Uncorrected audit misstatements

Professional standards require that we request of management and the Committee that all identified audit misstatements be corrected.



We concur with management's representation that the differences are not material to the financial statements. A summary of the impact of the uncorrected audit misstatements is noted on page 9.

Corrected audit misstatements

There were no corrected audit misstatements that impact total assets, liabilities or annual surplus.

The management representation letter includes all misstatements identified as a result of the audit, communicated to management, and subsequently corrected in the audited consolidated financial statements.

Control deficiencies and improvement observations



We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting. Details are noted on page 10.

Significant accounting policies and practices



Findings related to significant accounting policies and practices are discussed on page 11.

Independence

As required by professional standards, we have considered all relationships between KPMG and CRD that may have a bearing on independence. We confirm that we are independent with respect to CRD within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any other standards or applicable legislation or regulation from January 1, 2022 up until the date of this report.



Status of the audit

As of May 3, 2023, we have completed the audit of the consolidated financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Finance Committee
- Obtaining evidence of Board acceptance of the consolidated financial statements
- Obtaining a signed management representation letter
- Completing subsequent event review procedures up to the date of the Board of Directors' acceptance of the financial statements.

We will update the Committee and Board of Directors, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditor's report, a draft of which is included in the draft consolidated financial statements, will be dated upon the completion of any remaining procedures.





Significant risks and results

We highlight our significant findings in respect of **significant risks** as identified in our discussion with you in the Audit Plan, as well as any additional significant risks identified.



Fraud risk from management override of controls

This is a presumed fraud risk. Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities. We have not identified any specific additional risks of management override relating to this audit.

Our response

Our procedures included:

- testing of journal entries and other adjustments
- performing a retrospective review of estimates
- evaluating the business rationale of significant unusual transactions.

Significant findings

We noted no issues as a result of our testing.



Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows:



Hartland landfill closure and post-closure costs

Landfill closure and post-closure costs are recognized as a liability in the financial statements, including disclosure in the notes. Estimated costs are recognized annually, resulting in an increase in liability, as the capacity of the site is utilized. The liability recognized at December 31, 2022 was \$12.7 million (2021 - \$11.9 million).

Our response

Closure and post-closure costs are a significant estimate recognized in the District's consolidated financial statements. Measurement involves multiple assumptions and data inputs including capacity available and used, future costs, discount rates, inflation rates, among others.

The last detailed assessment of cost data for covering cells, conducted by an external expert, was performed in 2020. The assessments of closure and post-closure costs are updated annually. Management performed an analysis of and updated significant assumptions in 2022 to estimate the liability and costs to be recognized in 2022.

We assessed the elements of the estimate such as the estimation method, the assumptions used, the data used and the application of the method. We assessed the degree of uncertainty, complexity, and subjectivity in the closure and post-closure cost estimate to determine the level of audit response. The higher the level of response, the more persuasive the audit evidence was needed. We evaluated the projections and discount rates used by management to determine the closure and post-closure liabilities for the landfill and verified the accuracy of management's calculations.

Significant findings

In 2021, the Board approved a final Solid Waste Management Plan and endorsed next steps for implementation. Management's assessment of the liability and expense in 2022 considered the impact of activities that would extend the life of the landfill. The proposed expansion was excluded from the recorded estimate of the liability and expenses as the landfill Design Operations and Closure Plan (DOCP) is awaiting Provincial approval.

An estimated overstatement of the liability of \$2.1 million is noted as an unadjusted audit difference. This is a non-cash estimated difference, due primarily to temporary changes in inflation and discount rates applied in management's estimation model. Recognition of the adjustment may result in volatility in the liability, whereas the liability reported in the financial statements represent a more systematic escalation to match the savings accumulating in reserves to eventually fund the closure costs when incurred. As a result, Management has chosen not to adjust this difference to reduce the volatility in the liability and expense. We reviewed management's decision and concur with management that the differences are not material to the financial statements.

Effective for the 2023 fiscal year, new accounting standards for asset retirement obligations will require a significant revaluation of the landfill liability and recognition of all closure and post-closure costs upfront rather than as capacity of the landfill is used. Management is currently working through the analysis and impact of this transition. Management expects the adoption of the new accounting standard and approval of the DOCP will result in significant changes to the estimated liability in 2023.



Audit focus areas

We highlight findings in other areas of focus as identified in the Audit Plan as follows:



Tangible capital assets

The District has several on-going capital projects, including but not limited to projects under the Regional Housing First Program and the Hartland biogas upgrading facility, among others. The District will also be adopting PS 3280, *Asset Retirement Obligations* in fiscal 2023 and management is in the process of reviewing its asset inventory and asset management plans to understand the impact of adoption on the District.

Our response

Regional Housing First Program

We reviewed the related Board meeting minutes and inquired with management on any changes or updates to this program. We performed substantive audit procedures by obtaining and reviewing contracts and agreements between CRD, CRHC, BC Housing and CMHC. We tested a sample of capital asset additions to invoices and tested the accuracy of related grants and forgivable loans. We concur with management's accounting treatment in the financial statements, including the removal of transactions between CRD and CRHC in the consolidated financial statements.

Residuals Treatment Facility

The facility was placed in service in 2021 and was in full operation in 2022. We obtained an understanding of any contract modifications to the design-build agreement, services contract and Hartland Resource Management General Partnership ("HRMG") project agreement. We obtained management's models for recognition of the obligation owing, including the capital and operating components. We verified the inputs into the models, and assessed them for modifications as needed in 2022. We reviewed the adequacy of management's disclosures. Management adopted a new accounting standard PS 3160, *Public Private Partnerships*. We obtained management's analysis of the impact of adopting the new accounting standard and concur that no adjustments were required to P3 assets or liabilities on adoption.

Other Capital Assets

We tested a sample of capital additions and disposals during the year by agreeing to contract, progress statement, or third party invoice. We tested a sample of transfers from work-in-progress to in use to confirm that assets had been placed into service. We verified the accuracy of amortization expense.

Significant findings

We noted no issues as a result of our testing



Uncorrected audit misstatements

Uncorrected audit misstatements include financial presentation and disclosure omissions.



Impact of uncorrected audit misstatements – Not material to the financial statements

The management representation letter includes the Summary of Uncorrected Audit Misstatements, which discloses the impact of all uncorrected misstatements considered to be other than clearly trivial, including the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

Two uncorrected misstatements were noted, both resulting in an understatement of annual surplus

- \$2.1M estimated overstatement of landfill liability
- \$1.9M overstatement of expenses in 2022 for costs incurred in prior years. This error was identified by management as a result of its work to more accurately present tangible capital asset and remove assets that are no longer in productive use.

Based on both qualitative and quantitative considerations, management have decided not to correct certain misstatements and represented to us that the misstatements—individually and in the aggregate—are, in their judgment, not material to the financial statements. This management representation is included in the management representation letter.

We concur with management's representation that the uncorrected misstatements are not material to the financial statements. Accordingly, the uncorrected misstatements have no effect on our auditor's report.



Control deficiencies and improvement observations

Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to CRD's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.



A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.



Significant deficiencies in internal control over financial reporting

A significant deficiency in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

We did not identify any significant deficiencies in internal control over financial reporting.





Significant accounting policies and practices



Significant accounting policies



- There were no initial selections of or changes to significant accounting policies and practices with the exception of the adoption of PS 3160, *Public Private Partnerships* as discussed on page 8.
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the CRD's transactions in relation to the period in which they were recorded, except as discussed on page 9.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



Significant qualitative aspects of financial statement presentation and disclosure



- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures and uncertainties.



Significant accounting estimates



- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.



Other audit matters

We highlight below examples of audit procedures performed including those that do not relate specifically to a transaction reported in the financial statements, but rather procedures performed to obtain an understanding of the organization and its internal controls to inform our risk assessment and design procedures to address where material errors could



Risk Assessment

- Update our understanding of the Entity and its environment (industry, economic environment, regulatory and legislative requirements).
- Identify key business processes (Treasury and Debt, Revenue, Purchases and Payments, Payroll) and where material errors in the financial statements could arise, including from error and fraud.
- Validate our understanding of key business processes by performing a walkthrough of each significant process to determine if the process operates as described.
- Update our understanding of the Entity's internal controls and risk assessment processes and evaluate their suitability based on the nature and complexity of the organization.
- Evaluate if a culture of honesty and ethical behaviour has been created and maintained.
- Evaluate if appropriate policies and procedures for communications and information systems are in place to support accurate and timely preparation of the financial statements.
- Documents inspected include Code of Conduct, Reporting of Serious Misconduct Policy and Procedure, Quarterly financial reporting and management updates.

Substantive audit procedures

- Cash, investments and debt balances were confirmed with the respective financial institutions.
- A sample of capital asset additions, disposals, and WIP transfers were compared to underlying source documents. An estimate of amortization expense was compared to actual.
- A sample of payments made after year end were tested to determine if they were recorded in the appropriate fiscal year.
- Revenues and expenses were tested by way of analytical procedures, developing an expectation based on prior year and budget, and comparing to actual.
- Government transfer revenues and deferred revenues were tested by obtaining grant terms and determining if accounting as revenue or deferred revenue is appropriate.
- Salaries and wage expense included testing internal controls over management review of payroll expense as well as comparing actual to prior year.

Concluding and reporting

- Evaluate management bias in the preparation of financial statements, based on patterns in the selection and application of accounting policies and principles.
- Financial statement presentation and disclosure were evaluated for compliance with accounting standards and comparability to industry leading practice, for example financial reporting award requirements of Government Finance Officers Association International.
- Legal exposure and estimates of contingency provisions were evaluated against supporting documentation including direct confirmation with external legal counsel.
- Disclosures in the financial statement notes were evaluated for completeness based on our knowledge of the Entity's ability to continue as a going concern, related party transactions, future contractual commitments and events occurring after year end.
- Deficiencies in internal control and other control observations were discussed with management, and if significant, communicated to the Board through a separate communication entitled Management Letter.

Appendices

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Other required communications

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Changes in accounting standards

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Insights to enhance your business

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Upcoming changes to auditing standards

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Audit and assurance insights

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Environmental, social and governance (ESG)





Appendix 1: Other required communications



Auditors' report

Refer to the draft report attached to the consolidated financial statements.

Engagement letter

A copy of the engagement letter and any subsequent amendments has been provided to management.



Reports to the Board of Directors

At the completion of the audit, we will provide our findings report to the Board of Directors.

Management representation letter

A copy of the management representation letter is attached.



Appendix 2: Management representation letter

KPMG LLP
Chartered Professional Accountants
St. Andrew's Square II
800-730 View Street
Victoria, BC V8W 3Y7

May 10, 2023

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of Capital Regional District ("the Entity") as at and for the period ended December 31, 2022.

General:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Responsibilities:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated September 9, 2022, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.



Appendix 2: Management representation letter (continued)

- c) providing you with unrestricted access to such relevant information.
- d) providing you with complete responses to all enquiries made by you during the engagement.
- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.

Internal control over financial reporting:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

Fraud & non-compliance with laws and regulations:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - others



Appendix 2: Management representation letter (continued)

where such fraud or suspected fraud could have a material effect on the financial statements.

- c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
- d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
- e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

Subsequent events:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

Related parties:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

Estimates:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Going concern:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.



Appendix 2: Management representation letter (continued)

Misstatements:

- 11) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 12) We approve the presentation of internal management fees charged between the Corporation and Rental Housing Operating Funds of \$2,807,698 (2021 – 2,425,159) to be shown on a net rather than gross basis.

Non-SEC registrants or non-reporting issuers:

- 13) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission (“SEC”) Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 14) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

Yours very truly,

Ted Robbins, Chief Administrative Officer

Nelson Chan, Chief Financial Officer



Appendix 2: Management representation letter (continued)

Attachment I – Definitions

Materiality

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

Information is obscured if it is communicated in a way that would have a similar effect for users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Fraud & error

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.



Appendix 2: Management representation letter (continued)

Attachment II – Summary of Audit Misstatements Schedule

Presented in dollars	Statement of operations effect	Statement of financial position effect		
		Assets (Decrease) Increase	Liabilities (Decrease) Increase	Accumulated surplus (Decrease) Increase
Estimated overstatement of landfill liability	\$2,122,788	-	(\$2,122,788)	-
Overstatement of expenses in 2022 for capital asset disposals incurred in prior years.	\$877,870	-	-	(\$877,870)
Overstatement of expenses in 2022 for costs incurred in prior years	\$1,013,321	-	-	(\$1,013,321)
Total misstatements	\$4,013,979	-	(\$2,122,788)	\$1,891,191

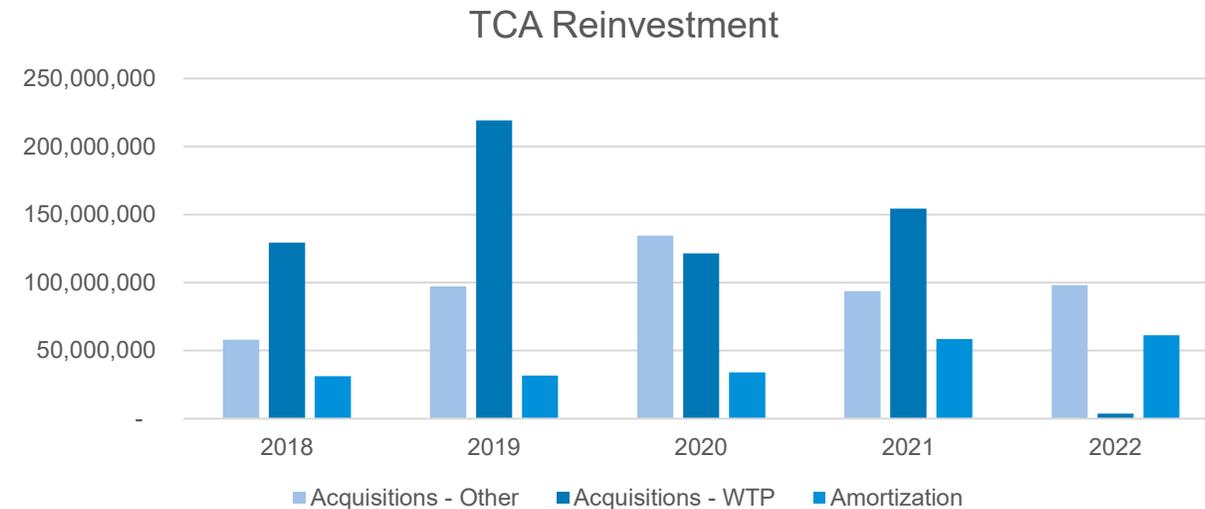


Appendix 3: Selected financial information

As part of the audit, there are certain key ratios and trends that we review. We share these ratios with the Board and Management and welcome any questions related to our interpretation of trends. The following financial information is taken from the annual audited financial statements prepared in accordance with Public Sector Accounting Standards. The accounting framework used in these financial statements differs from the framework used in the financial plan in that the rate-setting formula is based on a cash-basis and includes transfers from reserves and other unspent funds and planned capital acquisitions rather than amortization of capital assets.

Tangible Capital Asset (TCA) Reinvestment

TCA is the District's most significant asset and is funded by a combination of internal reserves and external financing. The following illustration depicts TCA acquisitions and amortization amounts for the past five years:



Starting in 2018, significant capital additions were acquired due to the Wastewater Treatment Project (WTP), which are shown separately in the chart. While WTP was substantially completed in 2021, with only \$3.7 million of additions in 2022, other capital additions increased and continued to exceed amortization due to projects such as the Hartland biogas upgrading facility.

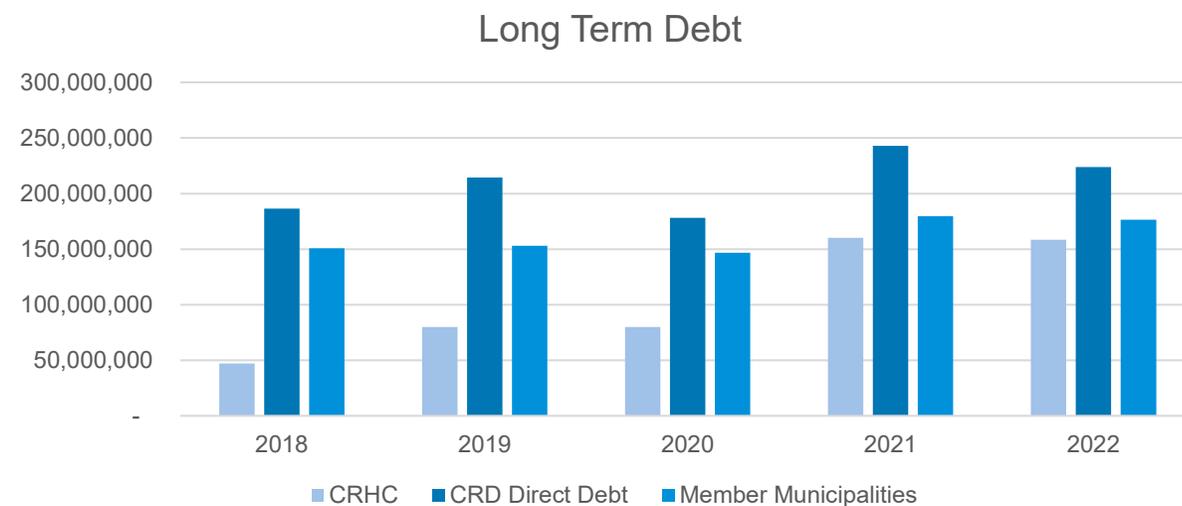
In 2021, the District began amortization on the WTP, which resulted in an increase in amortization expense. The value of amortization since 2021 has remained relatively consistent.



Appendix 3: Selected financial information (continued)

Long-term debt

The District incurs debt directly, and on behalf of its member municipalities through agreements with the MFA. Repayments of interest and principal on long-term debt for member municipalities are included in annual operating expenses for each function. The Community Charter and Municipal Liabilities regulation provides that a municipality's (district's) annual cost of servicing its aggregate liabilities for the year cannot exceed 25% of its annual revenue for the previous year. Interest expense in 2022 represents approximately 7.04% of the District's revenue (15% excluding government transfers) and interest expense related to municipal borrowing is approximately 3.94% of government transfers revenue.



CRD direct debt increased in 2018 and 2019 in order to finance the Wastewater Treatment Project and in 2021 for the Residuals Treatment Facility. In 2020 and 2022, debt started to decrease due to repayments exceeding new debt.

Member municipalities' debt and CRHC debt has remained relatively consistent from 2021 to 2022. The increase in CRHC debt since 2019 represents new debt obtained to fund purchases in relation to the RHFP and other ongoing capital projects.

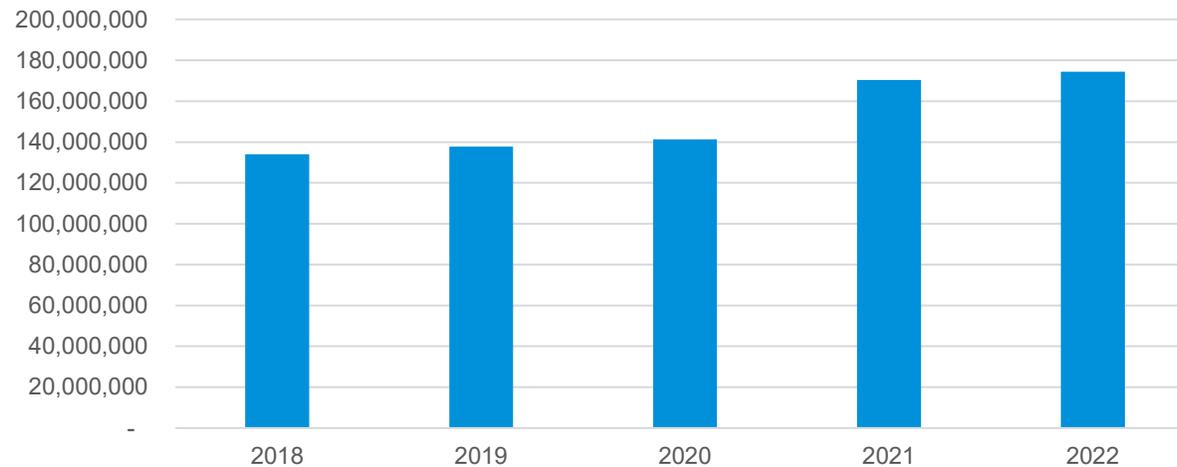


Appendix 3: Selected financial information (continued)

Reserves

The accumulated surplus for the District is made up of amounts invested in tangible capital assets, operating reserves, for both the District and Capital Region Housing Corporation, and reserves set aside for regional, sub-regional and local purposes. The amounts shown in the graph relate to reserve funds set aside for specific purposes as detailed in note 11 in the financial statements:

Reserves funds for specific purposes



These reserves are tracked on a per service basis. Each year, the amount presented is the accumulated amount. Since 2018, the reserves have continued to grow at a consistent rate, with the exception of 2021, where reserves increased by 20.45% over prior year. This was due primarily to WTP being commissioned in use and related increases in the Core Area Wastewater Operating Reserve Fund, Core Area Wastewater Debt Reserve Fund, the Solid Waste Capital Reserve Fund, the Juan De Fuca Water Development Costs Capital Reserve Fund, the Core Area Wastewater Service Capital Reserve Fund, and the Equipment Replacement Fund. In 2022, reserves continue to grow at a consistent rate to previous periods.



Appendix 4: Changes in accounting standards

Standard	Summary and implications
Asset retirement obligations	<ul style="list-style-type: none">• The new standard PS 3280 <i>Asset retirement obligations</i> is effective for fiscal years beginning on or after April 1, 2022.• The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets.• The asset retirement obligations (“ARO”) standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets (“TCA”). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life if the asset is in productive use.• As a result of the new standard, the public sector entity will:<ul style="list-style-type: none">• Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;• Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;• Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify ARO and obtain information to estimate the value of potential ARO to avoid unexpected issues.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Revenue	<ul style="list-style-type: none"> • The new standard PS 3400 <i>Revenue</i> is effective for fiscal years beginning on or after April 1, 2023. • The new standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. • The standard notes that in the case of revenue arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations. • The standard notes that unilateral revenue arises when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.
Government not-for-profit strategy	<ul style="list-style-type: none"> • The Public Sector Accounting Board has approved its government not-for-profit (“GNFP”) strategy implementation plan. • The approved strategy option is to incorporate the PS 4200 series of standards with potential customizations into public sector accounting standards. This means reviewing the existing PS 4200 series of standards to determine if they should be retained and added to public sector accounting standards. Incorporating the updated or amended PS 4200 series standards in public sector accounting standards would make the guidance available to any public sector entity. Accounting and/or reporting customizations may be permitted if there are substantive and distinct accountabilities that warrant modification from public sector accounting standards.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Purchased Intangibles	<ul style="list-style-type: none">• The new Public Sector Guideline 8 <i>Purchased intangibles</i> is effective for fiscal years beginning on or after April 1, 2023 with earlier adoption permitted.• The guideline allows public sector entities to recognize intangibles purchased through an exchange transaction. The definition of an asset, the general recognition criteria and GAAP hierarchy are used to account for purchased intangibles.• Narrow scope amendments were made to PS 1000 <i>Financial statement concepts</i> to remove the prohibition to recognize purchased intangibles and to PS 1201 <i>Financial statement presentation</i> to remove the requirement to disclose purchased intangibles not recognized.• The guideline can be applied retroactively or prospectively.



Appendix 4: Changes in accounting standards (continued)

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026 with earlier adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption will be permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position. The Public Sector Accounting Board is currently deliberating on feedback received on exposure drafts related to the reporting model.



Appendix 5: Insights to enhance your business

We have the unique opportunity as your auditors to perform a deeper dive to better understand your business processes that are relevant to financial reporting.

[Learn more](#)

Lean in Audit

Lean in Audit™ is KPMG’s award-winning methodology that offers a new way of looking at processes and engaging people within your finance function and organization through the audit.

By incorporating Lean process analysis techniques into our audit procedures, we can enhance our understanding of your business processes that are relevant to financial reporting and provide you with new and pragmatic insights to improve your processes and controls.

Clients like you have seen immediate benefits such as improved quality, reduced rework, shorter processing times and increased employee engagement.

We look forward to discussing how we can use this approach for your audit going forward.

How it works

<p>Standard Audit</p>	<p>Typical process and how it's audited</p>	
<p>Lean in Audit™</p>	<p>Applying a Lean lens to perform walkthroughs and improve Audit quality and minimize risks and redundant steps</p>	
<p>How Lean in Audit helps businesses improve processes</p>	<p>Make the process more streamlined and efficient for all</p>	

- **Value:** what customers want (**maximize**)
- **Necessary:** required activities (**minimize**)
- **Redundant:** non-essential activities (**remove**)

- 🔒 Process controls
- ✔ Key controls tested



Appendix 6: Upcoming changes to auditing standards

The International Auditing and Assurance Standards Board (IAASB) has issued three new and revised standards to strengthen and modernize the approach to quality management.

These standards address an evolving and increasingly complex environment, including a need for quality management systems that are proactive and adaptable.

	ISQM 1	ISQM 2	ISA 220 (Revised)
Scope	<ul style="list-style-type: none"> Focuses on quality management at the firm level Requires the firm to design, implement and operate a system of quality management (SoQM) to manage the quality of engagements performed by the firm Applies to all firms that perform audits or reviews of financial statements, or other assurance or related services engagements 	<ul style="list-style-type: none"> Focuses on the appointment of the engagement quality (EQ) reviewer and the EQ reviewer's responsibilities relating to the performance and documentation of an EQ review Applies to audits and reviews of financial statements; and other assurance and related services engagements 	<ul style="list-style-type: none"> Focuses on quality management at the engagement level Clarifies and strengthens the key elements of quality management at the engagement level, focusing on the critically important role of the engagement partner and reinforcing the importance of quality to all members of the engagement team Applies to audits of financial statements
Effective date	Firms are required to: <ul style="list-style-type: none"> have their SoQM designed and implemented by 15 December 2022 evaluate the SoQM at least annually, and no later than 15 December 2023 for the first evaluation 	Periods beginning on or after 15 December 2022	Periods beginning on or after 15 December 2022



Appendix 6: Upcoming changes to auditing standards

KPMG Global Quality Framework – in practice

Our Global Quality Framework outlines how we deliver quality at KPMG and how every partner and staff member contributes to its delivery. Quality **value drivers** are the cornerstones of our approach underpinned by the **supporting drivers**. **Performing quality engagements** sits at the core with our commitment to continually **monitor and remediate** to fulfil these drivers.

Live our culture and values

- Foster the right culture, starting with the tone at the top
- Clearly articulate strategy focused on quality, consistency, trust and growth
- Define accountabilities, roles and responsibilities, including for leadership
- Oversee using robust governance structures

Embrace digital technology

- KPMG Clara
- Intelligent, standards-driven audit workflow
- Digital data and emerging technologies

Apply expertise and knowledge

- Methodology aligned with professional standards, laws and regulations
- Deep technical expertise and knowledge
- Quality and risk management manual
- Standardized workpapers and guidance

Nurture diverse skilled teams

- Recruit appropriately qualified and skilled people, including specialists, with diversity of perspective and experience
- Invest in data centric skills – including data mining, analysis and visualization
- Focus on learning and development on technical expertise, professional acumen and leadership skills
- Assign appropriately qualified team
- Recognize quality



Perform quality engagements

- Critically assess audit evidence, using professional judgement and skepticism
- Direct, coach, supervise and review, including second line of defense and engagement quality review
- Appropriately support and document conclusions
- Monitor engagement milestones
- Consult where necessary

Associate with the right clients and engagements

- Follow the client acceptance and continuance policies
- Accept appropriate engagements
- Manage portfolio of clients

Be independent, objective and ethical

- Act with integrity and live our values
- Maintain an objective, independent and ethical mindset, in line with our code of conduct and policies
- Have zero tolerance of bribery and corruption

Assess risks to quality

- Identify and understand risks to delivering quality engagements and implement effective mitigating controls

Communicate effectively

- Provide insight, and maintain open and honest two-way communication
- Actively manage information flows within firms and between firms, regions and global
- Conduct and follow-up on the Global people survey
- Issue external communications, including transparency reports

Monitor and remediate

- Rigorously monitor and measure quality at the local and global level – e.g. Quality performance review
- Obtain, evaluate and act on stakeholder feedback
- Anticipate opportunities to improve quality
- Perform root cause analysis

See [KPMG International's Transparency Report](#) for more information on our approach to audit quality.



Appendix 7: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

Accelerate 2023

The key issues driving the audit committee agenda in 2023.

Momentum

A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource centre provides insights to help you identify the potential financial statement impacts to your business.

IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





Appendix 8: Environmental, Social and Governance (ESG)

The Importance of Sustainability Reporting



Sustainability Reporting – Who is impacted?

- **Lenders and underwriters** – increased focus on ESG considerations when making access to capital decisions
- **Investors** – ESG integration has become an investment norm
- **Employees** – ESG has become a key factor in attracting and retaining top talent
- **Consumers** – stakeholders increasingly scrutinize companies' ESG performance and transparency affecting brand acceptance and consumer demand



Importance to the Audit Committee

- **Regulatory developments** – ESG-related compliance costs and disclosure requirements continue to evolve as rules are finalized
- **Material ESG issues** – Audit Committees should understand stakeholder priorities and the company's material ESG risks and opportunities
- **Value creation** – developing a clear ESG strategy, along with a standardized reporting process can set a company apart from its competitors



Governance on ESG Data and Sustainability Reporting

- **Data collecting and reporting** – understand the ESG frameworks and reporting standards most commonly adopted in the industry and jurisdiction (benchmark to others in the industry)
- **ESG assurance** – Audit Committees are best positioned to understand which ESG metrics merit assurance. An assurance readiness assessment on Carbon is a common and often recommended first place to start



Appendix 8: Environmental, Social and Governance (ESG)

All companies are facing climate-related risks and opportunities – and are making strategic decisions in response. The impacts of climate-related risks in the financial statements are broad, potentially complex and will depend on the industry-specific risks.

How might climate-related risks impact the financial statements?

**01**

Assets

Consider the useful lives and residual values of PP&E and intangible assets, cash flow projections used for impairment testing of non-financial assets, and the potential impacts on inventories.

02

Liabilities

Consider the recognition of environmental and decommissioning obligations, accounting for emissions or 'green' schemes, impact on employee-benefit arrangements, and restructuring provisions.

03

Borrowers

Consider the accounting for different forms of government assistance, potential for embedded derivatives in green bonds, lease of green technology, impacts of leasing polluting assets.

04

Lenders

Consider how climate-related risks impact operating and financing leases, the potential impact on expected credit losses, and whether green loans meet the SPPI criterion.

05

Disclosures

Consider the impact on the going concern assessment and related disclosures and whether the impacts of climate-related matters have been disclosed clearly.

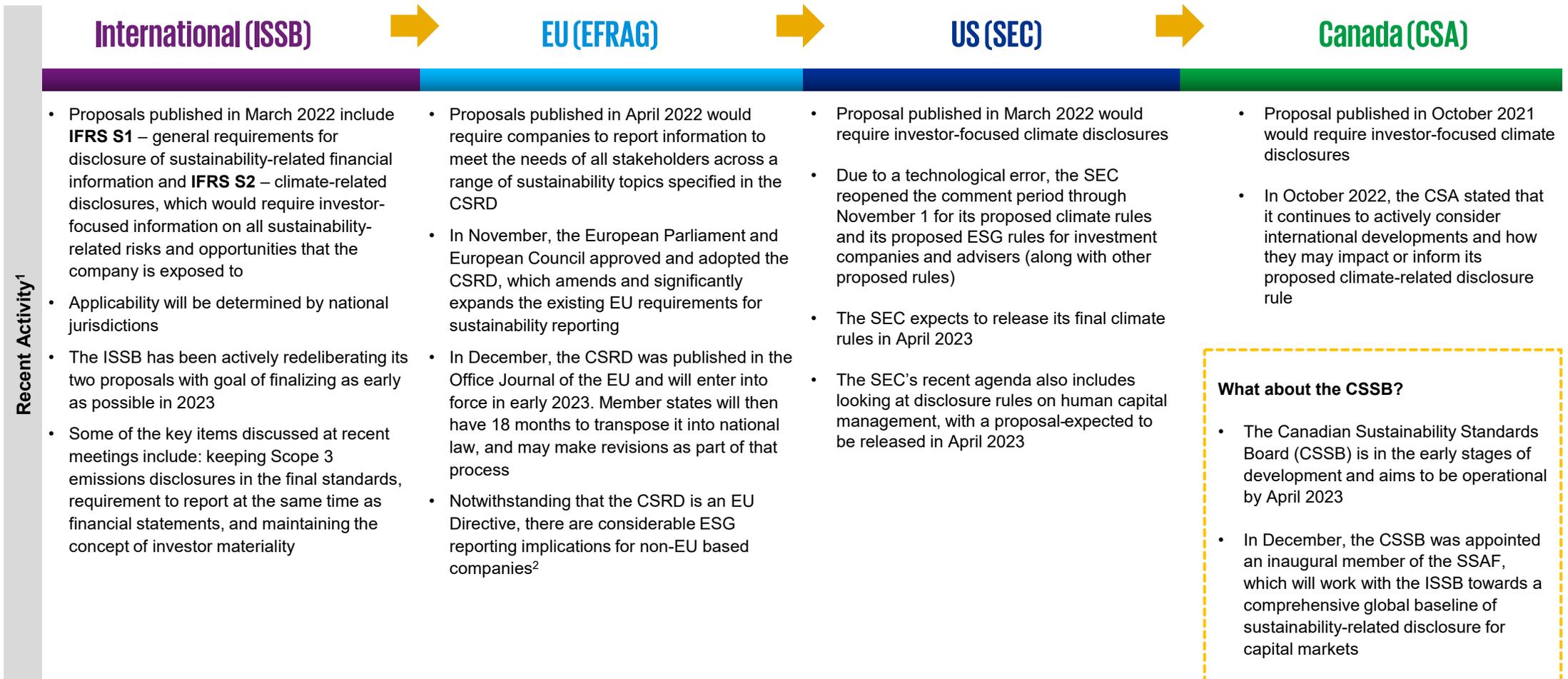


[See here for more information](#)



Appendix 8: Environmental, Social and Governance (ESG)

The Sustainability reporting journey: Regulatory update



1. Refer to our [Q4 2022 Current Developments – Spotlight on IFRS](#), [Q4 2022 Current Developments – Canadian Securities](#) and [Q4 2022 US Quarterly Outlook](#) publications for more details

2. Refer to our publication [ESG in Europe – Requirements covering non-EU companies formally adopted](#)



Appendix 8: Environmental, Social and Governance (ESG)

ESG Discovery | Client journey



What is ESG Discovery?

ESG Discovery through KPMG Ignition is a 3-hour session held virtually or in-person, bringing you relevant insights to inspire thinking and inspire change.



Why book an ESG Discovery session?

The consideration of ESG (Environmental, Social and Governance) factors has become critical to the success of organizations across all sectors including yours.



Time commitment for you and selected individuals

- Sponsor attends 30-min kick-off call
- Provided ESG 101 material and a 15-minute ESG self-assessment questionnaire
- All participate in a 3-hour ESG Discovery session
- Sponsor attends a 30-minute debrief following session with KPMG



What we'll cover

- Overview of ESG and how it applies to your organization and industry
- Results and analysis of self-assessment
- Identification of ESG stakeholders and their interests
- Scenario planning exercises
- Prioritization of key actions



Exceptional experience

Explore and better understand your organization's ESG challenges and opportunities through a highly interactive ideation session that will help you prioritize next steps on your ESG journey.



What you'll get

- An understanding of current and future state impacts of ESG to your organization
- Clarity of the ESG priority areas for your organization going forward – and how KPMG can help



Next steps

Connect with your KPMG Partner to explore booking an ESG Discovery session for your organization



kpmg.ca

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KPMG member firms around the world have 227,000 professionals, in 145 countries.



Capital Regional District Management Letter



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PRIVATE & CONFIDENTIAL

Nelson Chan
Chief Financial Officer
Capital Regional District
625 Fisgard Street
Victoria, BC V8W 2S6

May 3, 2023

Dear Mr. Chan:

Re: Reporting on internal control matters

In planning and performing our audit of the consolidated financial statements of Capital Regional District ("the District") for the period ended December 31, 2022, we obtained an understanding of internal control over financial reporting (ICFR) relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR. Accordingly, we do not express an opinion on the effectiveness of the District's ICFR.

Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. As a result, any matters reported below are limited to those deficiencies in ICFR that we identified during the audit.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

IDENTIFICATION

We did not identify any significant deficiencies in internal control.

Refer to the Appendix B for the definitions of various control deficiencies.



Nelson Chan, Chief Financial Officer
Capital Regional District
May 3, 2023
Page 2

OTHER CONTROL MATTERS

We identified certain control matters that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention. Refer to Appendix A.

MANAGEMENT'S RESPONSES

Management's responses have not been subjected to the audit procedures applied in the audit, and accordingly, we express no opinion on them.

USE OF LETTER

This letter is for the use of management and those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purpose or anyone other than management and those charged with governance. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants



Nelson Chan, Chief Financial Officer
Capital Regional District
May 3, 2023
Page 3

Appendix A — Update on Previous Year's Continuing Other Control Matters

1. Adoption of New Accounting Standards

Observation and implication:

The District will be required to adopt new accounting standards in fiscal 2023 and 2024, PS 3280 *Asset retirement obligations* in 2023, and PS 3400 *Revenue* in 2024. As part of the adoption process, management will need to evaluate and attest to the completeness of liabilities, commitments and revenue in the financial statements under these new accounting standards. This will be a significant amount of effort and requires Finance to have knowledge of the material contracts, strategic partnerships, and unique multi-party, multi-year contracts entered into by the District's various departments to enable it to make the required representations regarding accuracy and completeness.

Update from 2022 audit:

The Finance team is increasingly dependent on information from and expertise of other departments within the District in order to prepare accurate financial statements. Examples of such information include contract commitments, legal negotiations, landfill fill rates, tangible capital asset transactions and related retirement obligations.

Management's awareness of transactions outside of the Finance team and analysis of the financial impact is limited to information provided by other departments. In 2022, through early work performed by the Finance team to prepare for adoption of PS 3280 *Asset retirement obligations*, Finance noted that approximately \$1.9M of tangible capital assets had been sold or should have been recognized as an expense when incurred in previous years.

Recommendation:

We recommend Finance continue internal education related to adoption of these standards and the Executive Leadership Team hold departments accountable for evaluating completeness of contractual obligations and reporting relevant information in alignment with these standards. A comprehensive understanding of contracts and commitments will support management in its efforts to gain assurance over the completeness of liabilities, commitments and revenue in its budgeting and financial reporting activities.

We recommend Finance consider options to enhance internal controls related to certification or attestation of internal information by other departments that has a material impact on financial reporting, including documentation of data sources, valuation methodologies, significant assumptions and other details to support the accuracy of information provided to Finance.

Management Response:

Management acknowledges that new and changing accounting and regulatory compliance increase risk for financial reporting and ultimately legislative compliance has in some ways increased reliance on information produced internally to Financial Services for financial reporting purposes. Accurate and complete information about transactions of the organizations is the targeted level of due diligence. Management has been successful in applying this level of due diligence in the past when adopting such standards as the PS 3260 *Liability for contaminated sites* accounting standard. Management intends to extend this process, specifically internal attestation activity, in preparing financial reporting to meet legislative requirements by adhering with accounting standards.



Nelson Chan, Chief Financial Officer
Capital Regional District
May 3, 2023
Page 4

During 2022, management continued to work on the development of a centralized SharePoint corporate contract management system. This design work includes consideration for activities that would support completeness and accuracy of information provided for financial reporting purposes. For example, new metadata to track information such as potential revenues or expenses, contractual requirements with financial implications, and purchase order information.

Recommendations are taken under advisement. As the contracts review process is applied across the organization with a wide scale of agreements, management will continue the existing education plan and investigate areas of concern and implement improvements where necessary.



2. Recurring financial reporting adjusting entries

Observation and implication:

During our audit, we noted that many manual adjusting entries required for financial reporting are not recorded in SAP but are recorded each year end as “PSAB” entries. These entries are tracked in excel and are the trail to reconciling balances in SAP to the final audited financial statements. Tracking these entries in excel rather than directly in SAP increases the risk entries are incorrect, incomplete or knowledge of their source is lost during unexpected employee turnover or extended leave.

Update from 2022 Audit:

We note that management has performed significant analysis over how these entries would be input directly into SAP. Certain entries were migrated to SAP in 2020 and are no longer adjusted manually. For the remaining entries not migrated to SAP, based on the current general ledger structure, there are significant complexities to being able to record these in SAP.

In 2022, management started work on S/4HANA and general ledger structure projects, including evaluating a new chart of account structure to support recording all transactions directly in SAP. Management has identified a need for business transformation beyond financial reporting requirements to reduce manual processes related to core finance activities, enhance access to real time performance insights using financial data and leverage technology to serve the needs of the business in a more efficient and effective manner, to support alignment with the District’s strategic objectives.

Until the migration takes place, management has maintained its process of recording manual “PSAB” entries, but has significantly enhanced the control environment around such entries, including more detailed documentation regarding the rationale for each entry and the calculation of the amount, as well as the audit trail to support each entry. Additional training has and will continue to be provided to finance team members on public sector accounting standards to further enhance and embed knowledge of these entries in preparation for the integration with SAP.

Recommendation:

The manual “PSAB” entries continue to pose a high risk on the accuracy of financial reporting due to their complexities and we recommend management continue to enhance the controls around these entries and work towards integration of the entries when migrating to S/4HANA. We acknowledge the progress that has been made to date on enhancing controls around these entries and support management’s longer term plan to integrate the entries when migrating to S/4HANA.

Management Response:

Management continues to improve processes and supporting documentation for the year end (manual) “PSAB” entries. In 2022, management completed migration of all year-end financial reporting working papers, including “PSAB” entries, to Caseware. The software’s centralized filing system acts as a repository and audit trail for all year-end working papers, eliminating information retention issues and introducing a stronger control environment for the preparation year end entries and the financial statements.



Nelson Chan, Chief Financial Officer
Capital Regional District
May 3, 2023
Page 6

Management recognizes the increasing complexities of accounting standards and regulatory compliance over financial reporting. Anticipating this, management responded by launching a program committed to reaching a higher level of maturity around internal controls over financial reporting (ICFR) as part of service planning. During 2022, staff continued to advance the development of CRD's internal control framework and respond to findings and recommendations.

Also in service planning, with the approval of the 2023 S4/Hana Initiative Business Case (IBC), the organization has launched the discovery and planning for the organizations migration to S4Hana as the current ERP version reached end of life. Confirmed already in this work is priority for the integration of "PSAB" entries into the financial statements by service and by organization into SAP as part of the greater roadmap. Early discovery work completed on the existing chart of accounts has highlighted the need to reduce "last mile" or 'manual' efforts relating to accounting compliance.



Appendix B – Definitions

Terminology	Definition
DEFICIENCY IN INTERNAL CONTROL	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing; or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively.
SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL	A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, in the auditor’s professional judgment, is of sufficient importance to merit the attention of those charged with governance.



Making a difference...together

REPORT TO FINANCE COMMITTEE MEETING OF WEDNESDAY, MAY 03, 2023

SUBJECT **Scope of the Financial Statement Audit**

ISSUE SUMMARY

This report provides additional information on the purpose and scope of the annual financial statement audit.

BACKGROUND

At the January 11, 2023 Capital Regional District (CRD) Board meeting, through a motion arising, the Board referred the issue of audit scope and mandate to a future Finance Committee meeting for review.

BACKGROUND

The *Local Government Act* and the *Community Charter* require local governments to prepare financial statements annually in accordance with generally accepted accounting principles and Canadian Public Sector Accounting Board (PSAB) standards. In addition, the statements must be independently qualified by independent third-party auditors who follow procedures in accordance with Canadian Auditing Standards (CAS) and the International Standards on Auditing (ISA).

Financial Statement Scope

The CRD, the Capital Regional Hospital District (CRHD) and the Capital Region Housing Corporation (CRHC) undergo an annual audit of their financial statements. As a fundamental component of auditing standards, the auditors begin by circulating the Audit Planning Report (APR) through committee for information prior to the start of the process. The APR includes the audit strategy and approach used in assessing financial reporting accuracy including the quality and effectiveness of management's internal controls over financial reporting.

The audit process concludes with a detailed Audit Findings Report (AFR) to accompany the financial statements that are provided to the respective committees and Boards annually in May.

The AFR also includes:

- 1) The Independent Auditors' Report which provides an audit opinion on whether the financial statements are free from material error
- 2) The Management Letter which provides the auditor's observations with respect to any identified internal control deficiencies which require a response from management

During the audit, key internal controls are reviewed for efficiency and effectiveness, assessing the design of controls to prevent misstatement. For example, ensuring internal controls over payroll processes such that an individual cannot initiate and authorize payments without a secondary reviewer.

The external audit opinion is the primary source of independent assurance on the financial statements. In addition, the organization adheres to legislative and regulatory requirements such as the Goods and Services Tax (GST) Filings, Payroll Remittances among others.

Internal Controls over Financial Reporting Program

Internal Controls over Financial Reporting Program (ICFR) is designed to manage risks related to financial reporting. A high performing ICFR program is a deliberate and effective approach to managing risk and providing reasonable assurance that financial information is processed correctly. In 2020, Staff formalized the existing ICFR Program which includes dedicated effort to update and maintain the control environment annually, with cyclical reviews of design efficacy. The ICFR program also enhances:

- Process efficiency through control optimization (eliminate redundant/duplicate controls)
- Assurance towards Legislative and Regulatory compliance
- Risk mitigation on matters most important to the organization as directed by management and/or the Board
- Insights over a broad range of enterprise risks, including operational, financial, people, fraud, technology, compliance and strategic risks

CONCLUSION

At the January 11, 2023 CRD Board meeting, the Board directed that the issue of audit scope be referred to a future Finance Committee meeting. The CRD, CRHD and the CRHC undergo an audit of their financial statements annually in accordance with generally accepted accounting principles and Canadian PSAB standards. This annual financial statement audit scope aligns with the requirements of the *Local Government Act* and the *Community Charter*, where the purpose is to ensure the statements are free from material error.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer



Making a difference...together

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT **Capital Regional District External Grants Update**

ISSUE SUMMARY

To provide the Finance Committee and the Capital Regional District (CRD) Board a bi-monthly update on external grants activity for the period between February 14, 2023 and April 17, 2023.

BACKGROUND

This report summarizes activities and outcomes since the CRD External Grants Update was last presented in March. The External Grants Dashboard (Appendix A) details applications submitted, updated, awarded and declined as of 2023. Appendix B provides a summary of grant alerts for 2023.

IMPLICATIONS

Financial Implications

Grants/Contributions Awarded

1. \$11,559,000, through the Province of British Columbia's (BC) Ministry of Municipal Affairs, Growing Communities Fund to support infrastructure projects and amenities to enable service expansion and accommodate community growth
2. \$6,000,000, through Canada Community-Building Fund's 2022 Strategic Priorities Fund, intake to support the Regional Water Supply Main No. 4 Mt. Newton to Highway 17 Section Replacement Project
3. \$600,000, through the Province of BC's Ministry of Transportation and Infrastructure Island Rail Corridor Funding Grant, to support Island Rail Corridor Consultation
4. \$500,000, through the Province of BC's Ministry of Transportation and Infrastructure 2022-23 BC Active Transportation Infrastructure Grants Program, Active Transportation Infrastructure Stream to support the Mayne Island Regional Trail Phase 1 Development Project
5. \$180,000, through Environment and Climate Change Canada's Priority Places Program, to continue support for Species at Risk Assessment, Planning and Habitat Restoration at Mill Hill Park, 2023-2026
6. \$178,599, through the Union of British Columbia Municipalities' (UBCM) Community Emergency Preparedness Fund 2022 Volunteer and Composite Fire Departments Equipment and Training, to support the Capital Regional District Fire Department Training & Equipment Project

7. \$60,000, through the Province of BC's Ministry of Municipal Affairs Inclusive Governance Study Grant to support Inclusive Regional Governance
8. \$50,000, through the Province of BC's Ministry of Emergency Management and Climate Readiness Regional Emergency Management Planning, to support regional emergency planning exercises.
9. \$18,000, through UBCM's – Community Emergency Preparedness Fund – 2023 Emergency Support Services, to support the CRD Electoral Areas Evacuee Registration and Assistance Team
10. \$15,000, through Province of BC's – Ministry of Municipal Affairs – Restructure Planning Grant for a Community Issues Assessment for Magic Lake Estates, Pender Island, Southern Gulf Islands.
11. \$9,000, through Salt Spring Island Foundation's Community Grants Fund, to support the Salt Spring Island MultiSpace Dance Project
12. \$5,000, through Province of BC's Ministry of Municipal Affairs Restructure Implementation Grant, for the Conversion and Transfer of Seagirt Waterworks to CRD

There are an additional four grants under news embargo.

Applications Submitted

Eight CRD applications were submitted:

1. \$175,000, through Federation of Canadian Municipalities' Green Municipal Fund Sustainable Affordable Housing Study Grant, to support the Campus View Redevelopment Study Project
2. \$30,00, through Island Coastal Economic Trust's Capital and Innovation Program, Miners Bay Dock Revitalization Project, Mayne Island
3. \$30,000, through UBCM's Community Emergency Preparedness Fund 2023 Emergency Operations and Training Centres, for CRD Departmental Operations Centres (DOC)/Electoral Areas Emergency Operations Centres (EOC) Capacity Development Project
4. \$14,768, through Canadian Parks and Recreation Association 2023 Youth Employment Experience Program, to support a Youth Program Leader Position, Salt Spring Island
5. \$8,550 through Salt Spring Island Foundation's Community Grant Fund to support the Uniforms and Safety Gear for Martial Arts and Wrestling Programs, Salt Spring Island.
6. \$8,000, through Canadian Parks and Recreation Association 2023 Youth Employment Experience Program, to support an Assistant Cultural Programmer for Regional Parks
7. \$7,500, through the Salt Spring Island Foundation Community Grant Fund, to support New Audio System to support the Salt Spring Island Middle School (SIMS) Gymnasium, Salt Spring Island

8. \$4,200, through PlanH Healthy Communities Grant Community Connectedness Stream, to Support Building Community Connection – Regional Parks Inclusive and Adaptive Hiking with Power to Be

Service Delivery Implications

New Grant Opportunities

Thirty-three grant calls (includes programs with multiple streams) were issued during the reporting period and are summarized in the table below. Appendix B details relevant active grants (as of April 17, 2023) and lists recently closed grants for 2023.

Grant	Deadline	Information
Fairs, Festivals and Events Fund – Ministry of Tourism, Arts, Culture and Sport	03-Mar-23	One-time funding to event organizers to support the sustained recovery of community events
Community Foundation Grants – Canada Post Community Foundation	09-Mar-23	Funding to small municipalities to make a difference in the lives of children and youth
Emotive Community Outreach Incentive Program – Go Electric Program – CleanBC	17-Mar-23	Funding to small municipalities assist in delivering Electric Vehicle (EV) awareness campaigns to accelerate adoption of EVs across B.C
Community Wellness Grant Program – Island Health	22-Mar-23	Funding for upstream wellness interventions that reduce barriers and increase supports for health and wellness
Living Cities Fund – Green Communities Canada	27-Mar-23	Funding for community-based local organizations with training, funding, and logistical support to implement transformative green infrastructure projects
2023 Emergency Operations Centres (EOC): Training and Equipment – Community Emergency Preparedness – UBCM	31-Mar-23	Funding for purchase of equipment and supplies to maintain/improve EOCs and training
Community Grants Program – Victoria Foundation	04-Apr-23	Funding to strengthen community resilience through flexible, general operating funding to eligible local organizations
Enabling Small Modular Reactors Program – Natural Resources Canada	07-Apr-23	Funding for research and development to develop and deploy small modular reactors for waste management

Grant	Deadline	Information
Codes Acceleration Fund – Natural Resources Canada	Extended to 14-Apr-23	Funding to support adoption and implementation of national model building energy codes through two streams: 1. Those who have the ability to adopt energy codes 2. Those that do not have the ability to adopt energy codes
Emerging Approaches for Reducing Landfill Methane Emissions – Environment and Climate Change Canada	14-Apr-23	Funding to encourage additional testing and further adoption of emerging technologies that permit continuous or drone-based monitoring of methane emissions in landfills
2023 Pilot Program – Urban Communities Partnering for Reconciliation – UBCM	14-Apr-23	Funding for events and activities to enhance dialogue and support reconciliation efforts and resolve issues of common responsibility
Habitat Acquisition Grants – Habitat Conservation Trust Foundation	17-Apr-23	Funding for land trust organizations, including regional governments, to purchase properties to protect fish and wildlife habitat
2023 Public Notification and Evacuation Planning – Community Emergency Preparedness – UBCM	28-Apr-23	Funding for evacuation route planning and public notification, emergency support services and EOC training
Heritage Legacy Fund – Heritage BC	28-Apr-23	Funding for community initiatives and conserve and increase the understanding and appreciation of heritage resources as well as those working towards reconciliation with Indigenous peoples through collaboration
Deep Retrofit Accelerator Initiative – Natural Resources Canada	28-Apr-23	Funding to support accelerated development of deep retrofit projects
Community Anniversaries – Building Communities Through Arts and Heritage – Canadian Heritage	30-Apr-23	Funding for one-time events/capital projects that celebrate the 100th (or 125th/150th /175th, etc.) anniversary of a significant historical event/personality

Grant	Deadline	Information
Capacity Grant Habitat – Conservation Trust Foundation	01-May-23	Funding to build and strengthen the capacity of organizations to design and deliver conservation or restoration projects
Community to Community Program – UBCM	05-May-23	Funding to support increased understanding and improve relations between First Nations and local governments
Asset Management Planning Program – UBCM	12-May-23	Funding for local governments to deepen and strengthen asset management practices
Emerging Priorities Stream – Community Workforce Response Grant – WorkBC	15-May-23	Funding for immediate skills training needs for labour market challenges/opportunities
2023 Healthy Communities Grant – PlanH	15-May-23	Funding through two streams to support initiatives that advance programs and strategies that improve health equity and well-being: 1. Community Connectedness 2. Healthy Public Policy
AgriSpirit Fund – Farm Credit Canada	15-May-23	Funding for capital projects that enrich the lives of residents in communities of less than 150,000
Housing Accelerator Fund – Canada Mortgage and Housing Corporation (CMHC)	01-Jun-23	Incentive funding to local governments to encourage initiatives aimed at increasing housing supply
Project Feasibility Studies – CleanBC Industry Fund – Ministry of Environment and Climate Change	02-Jun-23	Funding to support preliminary studies for potential projects intending to apply for funding through the Emissions Performance or Innovation Accelerator Request for Proposal (RFP) streams
Extreme Temperature Risk Mapping, Assessment and Planning – Community Emergency Preparedness Fund – UBCM	02-Jun-23	Funding to support effective response plans and strategies to prepare, mitigate and adapt to risks of extreme temperatures
Infrastructure Planning Grant – Ministry of Municipal Affairs	12-Jul-23	Funding to help governments develop or improve long-term comprehensive plans including asset management plans, integrated stormwater management plans, etc.

Grant	Deadline	Information
Community Placemaking Program – Island Coastal Economic Trust	Continuous	Funding for communities to reimagine and revitalize public spaces
Jobs and Growth Fund in British Columbia – Pacific Economic Development Canada	Continuous through March 31, 2024	Funding for four streams: <ol style="list-style-type: none"> 1. Activities that support the transition to a green economy 2. Activities that foster an inclusive recovery 3. Activities that advance Canada's competitiveness and grow small and medium-sized enterprises through digital adoption 4. Activities that strengthen capacity in sectors critical to Canada's recovery and growth

CONCLUSION

The CRD recognizes grants are a supplementary funding source to address the needs of services provided to the region. The External Grants Update outlines how the CRD continues to integrate and consider these grant opportunities relative to service needs, as well as informing local partners of these opportunities through the Grants Dashboard and Grants Alerts. The CRD will continue to provide a summary of activities and outcomes in the External Grants Update on a bimonthly basis.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: 2023 External Grants Dashboard
- Appendix B: 2023 Grant Alerts

APPENDIX A 2023 EXTERNAL GRANTS DASHBOARD

(Updated as of 17-Apr-23)

 Approved	 Pending	 Declined / Withdrawn
15	16	12
\$22,637,601	\$13,268,132	\$14,617,071

2023 Approved Grants

Department	Grant Program	Project	Amount (\$)	Year Submitted
Corporate Services	Inclusive Governance Study Grant – Ministry of Municipal Affairs – Province of BC *NEW	Inclusive Regional Governance	60,000	N/A
	Restructure Planning Grant – Ministry of Municipal Affairs – Province of BC *NEW	Community Issues Assessment for Magic Lake Estates	15,000	N/A
Executive Services	CleanBC Organic Infrastructure and Collection Program – Organic Processing Infrastructure	Salt Spring Island (SSI) Composting Project	168,462	2021
	Bloom Fund – Salt Spring Island Foundation	SSI: Mount Maxwell Park Land Acquisition	100,000	2022

Department	Grant Program	Project	Amount (\$)	Year Submitted
Executive Services cont'd	Community Grants Fund – Salt Spring Island Foundation *NEW	Salt Spring Island Multi-Space Dance Project	9,000	2022
Finance and Technology	Growing Communities Fund – Ministry of Municipal Affairs – Province of BC *NEW	Growing Communities Fund	11,559,000	N/A
Integrated Water Services	Strategic Priorities Fund – Canada Community-Building Fund *NEW	Regional Water Supply Main No. 4 Mt. Newton to Highway 17 Section Replacement	6,000,000	2022
	Restructure Implementation Grant – Ministry of Municipal Affairs – Province of BC *NEW	Conversion and Transfer of Seagirt Waterworks to the CRD	5,000	N/A
Parks & Environmental Services	2022/23 Active Transportation Infrastructure Stream – BC Active Transportation Infrastructure Grants Program *NEW	Mayne Island Regional Trail Phase 1 Development Project	500,000	2022
	Priority Places Program – Environment and Climate Change Canada *NEW	Species at Risk Assessment, Planning, and Habitat Restoration at Mill Hill Regional Park 2023-2026	180,000	2022
Planning and Protective Services	Reaching Home: Canada's Homelessness Strategy – Infrastructure Canada	Designated Communities Stream (2023-24)	3,194,540	2023-24
	Island Rail Corridor Funding Grant – Ministry of Transportation and Infrastructure – Province of BC *NEW	Island Rail Corridor Consultation	600,000	2023

Department	Grant Program	Project	Amount (\$)	Year Submitted
Planning and Protective Services cont'd	2022 Volunteer & Composite Fire Departments Equipment and Training – Community Emergency Preparedness Fund – UBCM *NEW	Capital Regional District Fire Department Training & Equipment Project	178,599	2022
	Regional Emergency Management Planning Grant – Ministry of Emergency Management and Climate Readiness – Province of BC *NEW	Regional Emergency Planning 2023	50,000	N/A
	2023 Emergency Operations & Training – Community Emergency Preparedness Fund – UBCM *NEW	CRD Evacuee Registration and Assistance (ERA) Team Project	18,000	2023
Total			\$ 22,637,601	


2023 Pending Grants

Department	Grant Program	Project	Amount (\$)	Year Submitted
Corporate Services	Capital and Innovation Program – Island Coastal Economic Trust *NEW	Miners Bay Dock Revitalization Project	30,000	2023
	Infrastructure Planning Grant Program – Province of BC	SSI: Mount Erskine Water System Infrastructure Condition Assessment	7,500	2022
	TD Friends of the Environment Foundation – TD Bank	SIGI Pender Island Parks and Recreation Commission Youth Native Tree Planting Program Project	7,000	2023
Executive Services	2023 Canada Summer Jobs – Employment and Social Development Canada	Three applications for 35 positions across CRD Services: Panorama \$51,365; SEAPARC \$42,908; and Salt Spring Island Parks \$24,320	118,593	2023
	Community Grants Fund – Salt Spring Island Foundation *NEW	Uniforms and Safety Gear for Martial Arts and Wrestling Programs	8,550	2023
	Community Grants Fund – Salt Spring Island Foundation *NEW	New Audio System for SIMS Gymnasium	7,500	2023
Parks & Environmental Services	CleanBC Communities Fund – Climate Change Mitigation – Green Infrastructure Stream – Investing in Canada Infrastructure Program	Capital Regional District Public Electric Vehicle Charging Network Project	6,403,671	2022

Department	Grant Program	Project	Amount (\$)	Year Submitted
Parks & Environmental Services cont'd	Active Transportation Fund – Infrastructure Canada	Galloping Goose Regional Trail and Selkirk Trestle Enhancement Project (Submitted by Ministry of Transportation and Infrastructure, in partnership with Regional Parks)	5,848,328	2022
	CleanBC – BC Hydro Commercial Custom Program	Panorama Energy Recovery Project	200,000	2020
	Sustainable Communities and Industry Partnerships Project Implementation Offer – BC Hydro	Neighbourhood Energy Navigator Project	59,000	2023
	Pacific Institute for Climate Solutions Internship Program – University of Victoria	Regional Climate Projections: Understanding Current Use, Gaps, and Opportunities	12,000	2023
	2023 Youth Employment Experience – Canadian Parks and Recreation Association *NEW	Assistant Cultural Programmer for Regional Parks	8,000	2023
	Community Connectedness Stream – Healthy Communities Grant – PlanH *NEW	Building Community Connection – Regional Parks Inclusive and Adaptive Hiking with Power to Be	4,200	2023
Planning & Protective Services	2023 FireSmart Community Funding & Supports – Community Resiliency Investment Program – UBCM	CRD FireSmart Project	348,790	2022
	Sustainable Affordable Housing Study Grant – Green Municipal Fund – Federation of Canadian Municipalities *NEW	Campus View Redevelopment Project	175,000	2023

Department	Grant Program	Project	Amount (\$)	Year Submitted
Planning & Protective Services cont'd	2023 Emergency Operations & Training – Community Emergency Preparedness Fund – UBCM *NEW	CRD DOC/EOC Capacity Development Project	30,000	2023
Total			\$13,268,132	

X 2023 Declined / Withdrawn Grants

Department	Grant Program	Project	Amount (\$)	Year Submitted
Corporate Services	Economic Diversification Stream – Rural Economic Diversification and Infrastructure Program *NEW	Last-mile Connectivity and Economic Development Project for the Southern Gulf Islands (Declined)	576,725	2023
Executive Services	Environmental Quality – Green Infrastructure Stream – Investing in Canada Infrastructure Program	SSI: Cedars of Tuam – New Well and Water Treatment Plant (Declined)	1,143,948	2022
	Active Transportation Infrastructure Stream – BC Active Transportation Infrastructure Grants Program *NEW	SSI: Merchant Mews Pathway Project (Declined)	81,900	2022
	Reaching Each and Everyone: A Community Sport Intervention Program – Canadian Parks and Recreation Association *NEW	SSI: Inclusive Recreation Project (Declined)	50,000	2022
	Community Grants Program – ICBC *NEW	Salt Spring Island Speed Reader Boards (Withdrawn)	21,200	2022
	2023 Youth Employment Experience – Canadian Parks and Recreation Association *NEW	Youth Program Leader Position, Salt Spring Island (Declined)	14,768	2023
Integrated Water Services	Environmental Quality – Green Infrastructure Stream – Investing in Canada Infrastructure Program	JDF: Anderson Cove Water Main Extension Project (Declined)	1,766,905	2022
	Environmental Quality – Green Infrastructure Stream – Investing in Canada Infrastructure Program	SGL: Skana Water System Storage Tank Replacement (Declined)	535,272	2022

Department	Grant Program	Project	Amount (\$)	Year Submitted
Parks & Environmental Services	Strategic Priorities Fund – Canada Community Building Fund *NEW	Lochside Regional Trail and Swan Lake Trestle Enhancement Project, Capital Region, Victoria, BC (Declined)	5,999,999	2022
	Strategic Priorities Fund – Canada Community Building Fund *NEW	Lochside Regional Trail and Brett Avenue Trestle Enhancement Project, Capital Region, Victoria, BC (Declined)	4,376,354	2022
	New Horizons for Seniors Program – Employment and Social Development Canada	Community Garden Improvements at the Greenglade Community Centre (Declined)	25,000	2020
	New Horizons for Seniors Program – Employment and Social Development Canada *NEW	Dinner Bay Seniors Fitness Circuit Project (Declined)	25,000	2022
Total			\$14,617,071	

APPENDIX B 2023 GRANT ALERTS

Open Grants as of 17-April-23

DEADLINE	PROGRAM	DESCRIPTION
17-Apr-23	Habitat Acquisition Grants – Habitat Conservation Trust Foundation [LINK]	Funding for land trust organizations, including regional governments, to purchase properties to protect fish and wildlife habitat
18-Apr-23	Broadband Fund – Canadian Radio and Television Commission – Government of Canada [LINK]	Funding for transport projects, mobile wireless projects and projects requiring operational funding to increase satellite transport capacity
28-Apr-23	Deep Retrofit Accelerator Initiative – Natural Resources Canada [LINK]	Funding to support accelerated development of deep retrofit projects
28-Apr-23	Heritage Legacy Fund – Heritage BC [LINK]	Funding for community initiatives to conserve and increase the understanding and appreciation of heritage resources as well as those working towards reconciliation with Indigenous peoples through collaboration
28-Apr-23	2023 Public Notification & Evacuation Route Planning – Community Emergency Preparedness – Union of British Columbia Municipalities (UBCM) [LINK]	Funding for evacuation route planning and public notification, emergency support services and Emergency Operations Centres (EOC) training

DEADLINE	PROGRAM	DESCRIPTION
30-Apr-23	Community Anniversaries – Building Communities Through Arts and Heritage – Canadian Heritage [LINK]	Provides funding for one-time events/capital projects that celebrate the 100th (or 125th/150th /175th, etc.) anniversary of a significant historical event/personality
01-May-23	Capacity Grants – Habitat Conservation Trust Foundation [LINK]	Funding to build and strengthen the capacity of organizations to design and deliver conservation or restoration projects
05-May-23	Community to Community Program – UBCM [LINK]	Funding to support increased understanding and improve relations between First Nations and local governments
12-May-23	Asset Management Planning Program – UBCM [LINK]	Funding for local governments to deepen and strengthen asset management practices
15-May-23	AgriSpirit Fund – Farm Credit Canada [LINK]	Funding for capital projects that enrich the lives of residents in communities of less than 150,000
15-May-23	Healthy Communities Grant – PlanH [LINK]	Funding through two streams to support initiatives that advance programs and strategies that improve health equity and well-being: 1. Community Connectedness 2. Healthy Public Policy
15-May-23	Emerging Priorities Stream – Community Workforce Response Grant – WorkBC [LINK]	Funding for immediate skills training needs for labour market challenges/opportunities
01-Jun-23	Housing Accelerator Fund – Canada Mortgage and Housing Corporation (CMHC) [LINK]	Incentive funding to local governments to encourage initiatives aimed at increasing housing supply

DEADLINE	PROGRAM	DESCRIPTION
02-Jun-23	Extreme Temperature Risk Mapping, Assessment and Planning – Community Emergency Preparedness Fund – UBCM [LINK]	Funding to support effective response plans and strategies to prepare, mitigate and adapt to risks of extreme temperatures
02-Jun-23	Project Feasibility Studies – CleanBC Industry Fund – Ministry of Environment and Climate Change [LINK]	Funding to support preliminary studies for potential projects intending to apply for funding through the Emissions Performance or Innovation Accelerator Request for Proposal (RFP) streams
12-Jul-23	Infrastructure Planning Grant – Ministry of Municipal Affairs [LINK]	Funding to help governments develop or improve long-term comprehensive plans including asset management plans, integrated stormwater management plans, etc.
19-Jul-23	Disaster Mitigation and Adaptation Fund – Infrastructure Canada [LINK]	Funding for infrastructure projects designed to mitigate current and future climate-related risks and disasters triggered by natural hazards
31-Dec-23	2023 Fire Smart Community Funding and Supports Program – Community Resiliency Investment – UBCM [LINK]	Funding to increase community resiliency through Fire Smart planning/activities to reduce wildfire risk
Continuous through 2023	Community Placemaking Program – Island Coastal Economic Trust [LINK]	Funding for communities to reimagine and revitalize public spaces
Continuous through 2023	2 Billion Trees Program – Government of Canada [LINK]	Funding for tree planting through three streams: <ol style="list-style-type: none"> 1. Mass Planting 2. Small-Scale Planting 3. Urban/Suburban

DEADLINE	PROGRAM	DESCRIPTION
Continuous through 2023	Forest Enhancement Society of BC [LINK]	Funding support to reduce wildfire risk and increase community resilience
Continuous through 2023	Play Your Court Program – National Bank of Canada [LINK]	Funding to revitalize more than 100 tennis courts in communities across Canada
Continuous through March 31, 2024	Jobs and Growth Fund in British Columbia – Pacific Economic Development Canada [LINK]	Funding through four streams: 1. Activities that support the transition to a green economy 2. Activities that foster an inclusive recovery 3. Activities that advance Canada's competitiveness and grow small and medium-sized enterprises through digital adoption 4. Activities that strengthen capacity in sectors critical to Canada's recovery and growth
Continuous	Community Building Recommissioning Grant – Green Municipal Fund – Federation of Canadian Municipalities [LINK]	Funding to identify opportunities to reduce whole-building energy use by up to 5-15 percent (with higher savings possible), extend equipment life and reduce maintenance costs - Two types of projects are eligible for this grant: building recommissioning and building retro-commissioning
Continuous	Capital Projects Stream – Rural Transit Solutions Fund – Infrastructure Canada [LINK]	Funding for rural and remote community capital projects to support both traditional and non-traditional transport modes and transportation systems
Continuous	Homelessness Community Action Grant – Social Planning and Research Council of BC [LINK]	One-time funding for local planning and collaborative initiatives to respond to the needs of those who are homeless or at risk of becoming homeless
Continuous	Canada Cultural Spaces – Canadian Heritage [LINK]	Funding for improvement of physical conditions for heritage, culture and creative innovation

DEADLINE	PROGRAM	DESCRIPTION
Continuous	Capital Project: Signature Initiative – Green Municipal Fund – Federation of Canadian Municipalities [LINK]	Funding (combined loans and grants) to help Canadian cities and communities of all sizes implement bold environmental projects that reduce Greenhouse Gas Emissions (GHG) emissions and protect the air, water, or land
Continuous	Commemorate Canada – Canadian Heritage [LINK]	Funding for initiatives that commemorate and celebrate historical figures, places, events and accomplishments of national significance
Continuous	Community Building Monitoring and Analysis Grant – Green Municipal Fund – Federation of Canadian Municipalities [LINK]	Funding to track energy use of existing community facilities over time, compare the energy performance of their buildings to similar buildings in other municipalities and identify opportunities to save energy. Funding is intended for community building owners who do not have a building monitoring and analysis system in place.
Continuous	GHG Reduction Pathway Feasibility – Green Municipal Fund – Federation of Canadian Municipalities [LINK]	Funding to assess feasibility for projects that reduce energy and GHGs for recreational and cultural facilities
Continuous	McConnell Foundation Fund [LINK]	Funding to support projects through three streams: 1. Climate 2. Reconciliation 3. Communities
Continuous	Medium and Heavy Duty Zero Emission Vehicles Program – Transport Canada [LINK]	Funding to encourage adoption of medium and heavy-duty zero emissions vehicles.
Continuous	Planning Stream: Early Support for Sustainable Affordable Housing – Green Municipal Fund – Federation of Canadian Municipalities [LINK]	Funds for deliverables required in applications for additional funding of energy efficient affordable housing

DEADLINE	PROGRAM	DESCRIPTION
Continuous	Regional Innovation Ecosystems – Pacific Economic Development Canada [LINK]	Funding to create, grow and nurture inclusive ecosystems that support business needs
Continuous	Smart Renewables and Electrification Pathways Program – Natural Resources Canada [LINK]	Four funding streams: 1. Established Renewables 2. Emerging Technologies 3. Grid Modernization (the only eligible Applicants are Utilities and System Operators) 4. Strategic Dialogue Linked Projects
Continuous	Pilot Projects: Stormwater Quality, Community Project – Green Municipal Fund – Federation of Canadian Municipalities [LINK]	Funding for capital projects that allow a community to remove 60% of total suspended solids or a significant amount of other contaminants (e.g., Escherichia coli (E.coli), salt, grease) from its stormwater runoff
Continuous	Zero Emission Transit Fund – Infrastructure Canada [LINK]	Funding through two components to support public transit and school bus operators to electrify their fleets: 1. Planning projects 2. Capital projects

Closed Grants

DEADLINE	PROGRAM	DESCRIPTION
04-Jan-23	Rural Economic Diversification and Infrastructure Program – Ministry of Employment, Business and Economic Development [LINK]	Funding for rural economic development projects that promote economic capacity building, economic diversification, resilience, clean economy and infrastructure development through three streams: 1. Economic Capacity 2. Economic Diversification 3. Forest Impact Transition. (CRD is excluded but EAs may request an exemption)
11-Jan-23	Green Jobs – Science and Technology Internship Program – Natural Resources Canada [LINK]	Funding for youth training placements to build knowledge and skills for future employment in the natural resources sectors
12-Jan-23	Canada Summer Jobs – Employment and Social Development Canada [LINK]	Funding for wage subsidies for employers to create summer work experiences for youth 15-30 years of age
12-Jan-23	Documentary Heritage Communities Program – Libraries and Archives Canada [LINK]	Funding to commemorate local history and heritage
15-Jan-23	TD Friends of the Environment Foundation Grant – TD Bank [LINK]	Funding for environmental initiatives with a primary focus on environmental education and green space programs

DEADLINE	PROGRAM	DESCRIPTION
16 Jan-23	BC Vision Zero Grant Program – BC Injury and Prevention Unit [LINK]	Funding for projects that protect vulnerable road users from serious injury, disability or death
18-Jan-23 (Extended)	Healthy Canadians and Communities Fund – Public Health Agency of Canada [LINK]	Funding for interventions that address health inequities through three streams: 1. Creating supportive social environments for tobacco prevention and cessation 2. Creating food environments that enable access to healthy foods to improve healthy eating 3. Creating and/or promoting healthy built environments to increase physical activity
18-Jan-23	Infrastructure Planning Grant Program – Province of BC [LINK]	Funding for projects supporting the development of sustainable community infrastructure
27-Jan-23	2023 Emergency Support Services – Community Emergency Preparedness Fund – UBCM [LINK]	Capacity support for emergency support services including volunteer recruitment, training and purchase of equipment
31-Jan-23	Wildfire Community Preparedness Day – FireSmart Canada [LINK]	Funding to support Wildfire Community Preparedness Day May 6, 2023
01-Feb-23	ParticipACTION Community Challenge – PARTICIPACTION [LINK]	Funding for community organizations to remove barriers and increase physical activity and sport participation for equity-deserving groups
16-Feb-23	Connecting Communities BC – BC Connectivity Infrastructure (Canada/BC): Second intake [LINK]	Second intake of connectivity funding program to expand broadband internet services to underserved rural, remote and Indigenous communities

DEADLINE	PROGRAM	DESCRIPTION
17-Feb-23	Insurance Corporation of British Columbia (ICBC) Community Grants Program – ICBC [LINK]	Funding for road safety and injury recovery initiatives
24-Feb-23	Disaster Risk Reduction – Climate Adaptation – Community Emergency Preparedness Fund – UBCM [LINK]	Funding for disaster risk reduction and climate-related risks through three streams: 1. Foundational Activities 2. Non-Structural Projects 3. Small-scale Structural Projects
28-Feb-23	Green and Inclusive Community Buildings – Infrastructure Canada [LINK]	Funding through two streams to build and adapt community buildings to reduce GHG and improve climate change resilience: 1. Large retrofits and new buildings 2. Small and medium retrofit projects
28-Feb-23	Kal Tire’s RePlay Fund – Kal Tire [LINK]	Funding to help cover the cost of recycled rubber products through third-party suppliers for community infrastructure projects
28-Feb-23	Scotts Gro for Good – Scotts Miracle Grow [LINK]	Funding to support community efforts to showcase the benefits of gardening, including encouraging healthy eating habits
03-Mar-23	Fairs, Festivals and Events Fund – Ministry of Tourism, Arts, Culture and Sport [LINK]	One-time funding to event organizers to support the sustained recovery of community events
09-Mar-23	Community Foundation Grants – Canada Post Community Foundation [LINK]	Funding to small municipalities to make a difference in the lives of children and youth

DEADLINE	PROGRAM	DESCRIPTION
13-Mar-23	Zero Emission Vehicle Awareness Initiative – Medium and Heavy Duty Stream – Natural Resources Canada [LINK]	Funding for new and innovative projects that aim to increase knowledge, awareness and confidence in medium and heavy-duty zero-emission or low-emission vehicles for fleet owners, drivers and general public
15-Mar-23	Projects – Stream Rapid Housing Initiative Round 3 – Canada Mortgage and Housing Corporation [LINK]	Funding to build new housing and/or purchase existing buildings that will be rehabilitated or converted into permanent affordable housing.
17-Mar-23	Poverty Reduction Planning and Action Program – UBCM [LINK]	Funding to support local governments to reduce poverty and advance the province’s poverty reduction strategy through two streams: 1. Poverty Reduction Plans and Assessments 2. Poverty Reduction Action
17-Mar-23	Emotive Community Outreach Incentive Program – Go Electric Program – CleanBC [LINK]	Funding to small municipalities to assist in delivering Electric Vehicle (EV) awareness campaigns to accelerate adoption of EVs across BC
22-Mar-23	Community Wellness Grant Program – Island Health [LINK]	Funding for upstream wellness interventions that reduce barriers and increase supports for health and wellness
27-Mar-23	Living Cities Fund – Green Communities Canada [LINK]	Funding for community-based local organizations with training, funding, and logistical support to implement transformative green infrastructure projects
31-Mar-23	2023 Emergency Operations Centres and Training –Community Emergency Preparedness – UBCM [LINK]	Funding for purchase of equipment and supplies to maintain/improve EOCs and training

DEADLINE	PROGRAM	DESCRIPTION
04-Apr-23	Community Grants Program – Victoria Foundation [LINK]	Funding to strengthen community resilience through flexible, general operating funding to eligible local organizations
07-Apr-23	Enabling Small Modular Reactors Program – Natural Resources Canada [LINK]	Funding for research and development to develop and deploy small modular reactors for waste management
13-Apr-23	Building for the Future – Housing Supply Challenge: Round 4 – Impact Canada (Canada Mortgage and Housing Corporation) [LINK]	Funding for activities for innovative construction processes, techniques, systems and materials to increase affordable, climate-resistant housing
14-Apr-23	2023 Pilot Program – Urban Communities Partnering for Reconciliation – UBCM [LINK]	Funding for events and activities to enhance dialogue and support reconciliation efforts and resolve issues of common responsibility
14-Apr-23	Emerging Approaches for Reducing Landfill Methane Emissions – Environment and Climate Change Canada [LINK]	Funding to encourage additional testing and further adoption of emerging technologies that permit continuous or drone-based monitoring of methane emissions in landfills
Extended to 14-Apr-23	Codes Acceleration Fund – National Resources Canada [LINK]	Funding to support adoption and implementation of national model building energy codes through two streams: 1. Those who have the ability to adopt energy codes 2. Those that do not have the ability to adopt energy codes



Making a difference...together

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT **Capital Regional District External Grants 2022 Annual Report**

ISSUE SUMMARY

This report provides a summary of the Capital Regional District (CRD) external grants activity for the period of January 1, 2022 through December 31, 2022.

BACKGROUND

The CRD Grants team provides support to divisions across the organization as they pursue external grant opportunities with funders. Services apply for projects in alignment with their capital and service plans, adjusting and requesting amendments when opportunities unpredictably arise. The CRD Grants team informs divisions of upcoming opportunities, reviews applications, conducts research and engagement with external programs, advises on grant inquiries and regularly reports to the Board through Finance Committee on activity.

Appendix A details external grants activity and application status for the period ended December 31, 2022. This report also provides an update on the one-time Safe Restart for Local Governments Funding (Appendix B) and an update on the status of grant-funded projects (Appendix C).

The CRD has been reporting annually on grants since 2019. Staff track key performance indicators including application activity and amounts awarded. The availability of grant programs, lengthy review process, and competitive nature of grants can make it challenging to compare grant success on a year-by-year basis.

IMPLICATIONS

Financial Implications

2022 Activity

1. 52 grant alerts circulated
 - 5 additional summaries with supplementary information provided for high value programs
2. Grant application activity
 - 41 applications reported in 2022
 - 30 applications approved
 - 17 pending results
 - 8 declined / cancelled / withdrawn
 - 3 partnership applications

3. Grant coordination and reporting
 - 5 external grants staff reports were provided bi-monthly to the Finance Committee
 - 5 annual reports; external grants, Safe Restart, Grants-in-Aid (GIA) and 2 Community Works Fund (internal and external) reports
 - 1 other Grant Report relating to Regional GIA
4. Financial administration
5. Internal and External Stakeholder Engagement

The following table provides a summary of external grants activity with a comparison to 2021. With the Core Area Wastewater Treatment Project (CAWTP) grant program complete, staff will no longer include updates going forward. Additionally, all Regional Housing First Program (RHFP) grants have been received from CMHC. While the implementation of the program will continue for several years, no further grants from CMHC are expected through this program.

Table 1: Grants Awarded for 2022

Grants Awarded	2022	2021
Core Area Wastewater Treatment Project (CAWTP)	\$36M	\$81.8M
Regional Housing First Program (RHFP) ¹ Canada Mortgage and Housing Corporation (CMHC) grant	No further funds anticipated	\$5.8M
External Grants Awarded	\$12.9M	\$29.3M
Total	\$48.9M	\$116.9M
Rate of Return (excludes CAWTP/RHFP)	13.5x	32.6x

¹RHFP includes funding from the CRD, BC Housing (contribution), and CMHC (grant). In 2020, each partner committed \$40M towards affordable housing, for a total of \$120M. BC Housing's contributions are not received by the CRD, but are funds distributed to third parties.

Safe Restart

The COVID-19 Safe Restart Grants for Local Governments provided \$425 million across the province to assist local governments impacted by COVID-19. The CRD received nearly \$2 million to assist with COVID-19 response and post-recovery expenses. Projects were awarded based on alignment with grant program criteria, and included revenue shortfalls, corporate Emergency Operations Centre expenses and allocations to Local Area Services. The CRD is required to report on funds until fully spent. Appendix B provides an update on expenses from 2020-2022, and funds committed for 2023.

Service Delivery Implications

Applying for grants is often time-sensitive where programs launch unexpectedly, disrupting service and work plans. Staff endeavor to seek funding for projects identified in capital plans aligned with community needs (refer to Appendix D); however, when opportunities arise adjustments and implications are brought forward for approval.

CONCLUSION

Staff continue to monitor and track key performance indicators, which are driven by the variability of external grant program availability. The CRD Grants team works with and across services to maximize funding opportunities. Staff proactively manage various processes for optimal financial management and adjust work plans when funding programs become available and where capacity and resources permit.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Capital Regional District External Grants Activity 2022
- Appendix B: Safe Restart Funding for Local Governments – Regional and Local Services Projects
- Appendix C: Update on the Status of Grant-Funded Projects
- Appendix D: Grant Alignment with Community Needs

Appendix A Capital Regional District External Grants Activity 2022

Approved

No.	Grant Program	Project	Amount Approved (\$)
1	Investing in Housing Innovation Grant and Deepening Affordability Grant – BC Housing	51-unit project at 7612 East Saanich Rd.	4,186,013
2	Reaching Home Agreements – Employment and Social Development Canada	Designated Communities (2022-2023)	3,227,512
3	Rural and Northern Communities – Investing in Canada Infrastructure Program	SSI: Maliview Wastewater Treatment Plant Upgrade	1,989,000
4	Victoria Housing Reserve Fund – City of Victoria	Caledonia Housing Project	1,065,000
5	Canada Community Revitalization Fund – Innovation, Science and Economic Development Canada	Revitalization of Centennial Park in Ganges Village	561,748
6	Zero Emissions Vehicle Incentive Program – Natural Resources Canada	Capital Region Electric Vehicle Charging Initiative	315,000
7	FireSmart Community Funding & Supports – Community Resiliency Investment Program 2022 – UBCM	Capital Region FireSmart Program Establishment Project	282,444
8	Zero Emission Vehicle Awareness Initiative – Natural Resources Canada	Capital Region E-Mobility Awareness Initiative	224,000
9	2022 Extreme Heat Risk Mapping, Assessment, and Planning – Community Emergency Preparedness Fund – UBCM	Capital Regional Extreme Heat Vulnerability Mapping Dashboard	150,000
10	Community Buildings Greenhouse Gas Reduction Pathway Feasibility Study – Green Municipal Fund Grant – Federation of Canadian Municipalities	Developing a GHG Reduction Pathway for Capital Regional District Recreation Centres	148,400
11	Local Government Climate Action Program – Ministry of Environment and Climate Change Strategy	2022 Local Government Climate Action Program	126,082
12	Salt Spring Island Foundation	Mount Maxwell Park Land Acquisition	100,000
13	2022 Regional District Basic Grant – Ministry of Municipal Affairs	Regional District Grant	76,000
14	Safe Restart and Recovery – Province of BC	Salt Spring Island Paratransit System	70,514
15	Early Learning and Child Care Program – Enabling Accessibility Fund – Employment and Social Development Canada	Owl's Nest Preschool Inclusive Outdoor Space Project	70,000
16	Seed Grant Funding – Canada Mortgage and Housing Corporation	Campus View Redevelopment Project	63,100
17	Zero Emission Vehicle Infrastructure Program, MURBS, Workplaces and LDV Fleets – Natural Resources Canada	Eight Level Two Electric Vehicle Chargers	40,000
18	Implementation Off Program – BC Hydro	Supporting Private Sector Investment in Public EV Charging: Guidelines and Resources Project	35,000
19	Sustainable Affordable Housing – Green Municipal Fund – Federation of Canadian Municipalities	CRHC's Targeting a Net Zero Energy Ready in a 104-unit Affordable Housing Redevelopment in Saanich, BC Project	25,000
20	2021 Evacuation Route Planning Stream – Community Emergency Preparedness Fund – UBCM	Capital Regional District Evacuation Route Planning	25,000
21	2022 Emergency Operations Centre and Training Grant Stream – Community Emergency Preparedness Fund – UBCM	CRD EOC Upgrade Project	24,665
22	2022 Emergency Support Services – Community Emergency Preparedness Fund – UBCM	ESS Modernization Project	22,502
23	Community Grants Program – ICBC	Salt Spring Island Speed Reader Boards	21,200
24	Canada Summer Jobs – Employment and Social Development Canada	Panorama Recreation - Aquatics	15,660
25	Canada Summer Jobs – Employment and Social Development Canada	Salt Spring Island Recreation	10,962
26	Salt Spring Island Foundation	Salt Spring Island MultiSpace Dance Project	9,000
27	Grant Program for Specialized Equipment and Training for Police and Related Agencies – BC Civil Forfeiture Office	CRD Regional Parks Compliance and Enforcement Program	8,080
28	Asset Management Planning Program – UBCM	SEAPARC's Leisure Complex Facility Condition Assessment	6,450
29	Restructure Implementation Grant – Ministry of Municipal Affairs	Conversion for Florence Lake Improvement District	5,000
30	2022 Community Connectedness Stream – PlanH Healthy Communities Grant	Building Community Connections with Equity-Seeking Groups Currently Underrepresented in Active Transportation Project	5,000
		Total	12,908,332

Pending

No.	Grant Program	Project	Grant Request (\$)
1	Climate Change Mitigation Sub-Stream – Green Infrastructure – CleanBC Communities Fund – Investing in Canada Infrastructure Program	Capital Regional District Public Electric Vehicle Charging Network project	6,403,671
2	Strategic Priorities Fund – Canada Community Building Fund	Regional Water Supply Main No. 4 Mt. Newton to Highway 17 Section Replacement	6,000,000
3	Strategic Priorities Fund – Canada Community Building Fund	Lochside Regional Trail and Swan Lake Trestle Enhancement Project, Capital Region, Victoria, BC	5,999,999
4	Strategic Priorities Fund – Canada Community Building Fund	Lochside Regional Trail and Brett Avenue Trestle Enhancement Project, Capital Region, Victoria, BC	4,376,354
5	Environmental Quality – Green Infrastructure – Investing in Canada Infrastructure Program	JDF: Anderson Cove Water Main Extension Project	1,766,905
6	Environmental Quality – Green Infrastructure – Investing in Canada Infrastructure Program	SSI: Cedars of Tuam – New Well and Water Treatment Plant	1,143,948
7	Environmental Quality – Green Infrastructure – Investing in Canada Infrastructure Program	SGI: Skana Water System Storage Tank Replacement	535,272
8	BC Active Transportation Fund – Ministry of Transportation and Infrastructure	Mayne Island Regional Trail – Phase 1	500,000
9	2023 FireSmart Community Funding & Supports – Community Resiliency Initiative Program – UBCM	Capital Regional District FireSmart Project – 2023	348,790
10	CleanBC - BC Hydro Commercial Custom Program	Panorama Energy Recovery Project	200,000
11	Priority Places Species at Risk – Environment and Natural Resources Canada	Species at Risk Assessment, Planning and Habitat Restoration at Mill Hill Park – 2023 Expression of Interest	180,000
12	Volunteer & Composite Fire Departments Equipment and Training – Community Emergency Preparedness Fund – UBCM	Capital Regional District Fire Department Training & Equipment Project	178,599
13	Organic Processing Infrastructure – CleanBC Organics Infrastructure and Collection Program – Ministry of Environment and Climate Change Strategy	Salt Spring Island Composting Project	168,462
14	BC Active Transportation Fund – Ministry of Transportation and Infrastructure	Merchant Mews Pathway Project	81,900
15	Reaching Each and Everyone: A Community Sport Intervention – Canadian Parks and Recreation Association	Inclusive Recreation Project	50,000
16	New Horizons for Seniors Program – Employment and Social Development Canada	Dinner Bay Seniors Fitness Circuit project	25,000
17	Infrastructure Planning Grant – Ministry of Municipal Affairs	Mount Erskine Water System Infrastructure Condition Assessment	10,000
Total			27,968,900

Declined/Withdrawn

No.	Grant Program	Project	Grant Request (\$)
1	Large-scale stream – Disaster Mitigation and Adaptation Fund – Infrastructure Canada	Regional Water Supply Project (Declined)	36,900,000
2	Canada Summer Jobs – Employment and Social Development Canada	Panorama Recreation - Camps (Declined)	35,796
3	Canada Summer Jobs – Employment and Social Development Canada	SEAPARC (Declined)	28,576
4	New Horizons for Seniors – Employment and Social Development Canada	Community Garden Improvements at the Greenglade Community Centre (Declined)	25,000
5	Sustainable Affordable Housing – Green Municipal Fund – Federation of Canadian Municipalities	Village on the Green Housing Study (Declined)	25,000
6	Sustainability Scholars Program – University of British Columbia	Understanding Pathways to Equitable Energy Retrofits of Purpose-Built Rental Multi-Unit Residential Buildings in the CRD (Withdrawn)	6,900
7	Canada Summer Jobs – Employment and Social Development Canada	Regional Parks (Declined)	3,648
8	Scotts' Gro for Good Grant Program – Scotts Miracle Gro	Greenglade Community Garden Enhancement Project (Declined)	2,500
Total			37,027,420

Partnerships

No.	Grant Program	Project	Grant Amount (\$)
1	Canada Community Revitalization Fund – Innovation, Science and Economic Development Canada	Elk Lake Fishing Dock Replacement and Enhancement of Accessibility Project (World Fisheries led-application and grant transferred to CRD)	109,000
2	Mitacs Accelerate Proposal	Molecular Profiling and Spatiotemporal Analysis of Volatile Organic Compounds at Wasterwater Treatment Facility (in partnership with Vancouver Island University)	60,000
Approved			169,000
3	Active Transportation Fund - Infrastructure Canada	Galloping Goose Regional Trail and Selkirk Trestle Enhancement Project (in partnership with Ministry of Transportation and Infrastructure)	5,848,328
Pending			5,848,328

Appendix B Safe Restart Funding for Local Governments – Regional and Local Services Projects

Regional

No.	Service Area	Project	Grant Allocation (\$)	Funds Spent 2020-2022 (\$)	Funds Committed 2023 (\$)	Surplus Re-allocation (\$)
1	Corporate Emergency	Emergency Operations Centre (EOC) 2020	302,200	302,200	-	
2	Capital Regional Housing Corporation	Capital Regional Housing Corporation – Revenue Shortfalls	295,000	295,000	-	
3	Regional Parks	Regional Parks COVID-19 Response	200,000	200,000	-	
4	Information Technology	Equipment and Staff Request for AV Support during COVID-19	197,180	167,604	-	29,576
5	Human Resources and Corporate Safety	Appointment of Safety Manager – COVID-19 Funding	170,500	131,505	-	38,995
6	Corporate Emergency	Regional Emergency Planning Response	136,000	118,706	17,294	
7	Corporate Emergency	Emergency Operations Centre (EOC) 2021	83,810	83,810	-	
8	Corporate Emergency	Allowance for Ineligible Emergency Management BC (EMBC) Claims for 2020 EOC Costs	60,000	5,452	54,548	
9	Corporate Communications	Virtual Public Consultation Capacity during COVID-19	49,110	49,110	-	
10	Corporate Services	Legislative Services COVID-19 Business Continuity Management Planning	2,200	1,675	-	525
11	Corporate Emergency (New)	Leg & Gen Operating Reserve Reimbursement for Ineligible EMBC Claims for 2020 EOC Costs	From Surplus Re-allocation	69,095		
Total			1,496,000	1,424,157	71,842	69,095

Juan de Fuca

No.	Service Area	Project	Grant Allocation (\$)	Funds Spent 2020-2022 (\$)	Funds Committed 2023 (\$)
1	JDF Grants-in-Aid	One Time Supplementary GIA Safe Restart	61,078	61,078	-
2	Port Renfrew Fire Department	Port Renfrew Fire Department PPE and Cleaning Supplies	8,260	8,260	-
3	JDF Planning	JDF Meeting Room Electronic Meeting Equipment	8,750	8,750	-
4	Otter Point Fire Department	Otter Point Fire Department PPE and Cleaning Supplies	7,480	7,480	-
5	Willis Point Fire Protection	Willis Point Fire Protection PPE and Cleaning Supplies	7,220	7,220	-
6	Shirley Fire Department	Shirley Fire Department PPE and Cleaning Supplies	7,200	7,200	-
7	East Sooke Fire Department	East Sooke Fire Department PPE and Cleaning Supplies	7,200	7,200	-
8	JDF Parks	JDF Parks Toilets Rental in the Parks	7,140	7,140	-
9	JDF Community Recreation	Port Renfrew Community Hall Revenue Shortfall	3,982	3,982	-
10	East Sooke Fire Department	East Sooke Community Hall Revenue Shortfall	3,690	3,690	-
11	SEAPARC	SEAPARC COVID-19 Relief Support	1,000	1,000	-
Total			123,000	123,000	-

Salt Spring Island

No.	Service Area	Project	Grant Allocation (\$)	Funds Spent 2020-2022 (\$)	Funds Committed 2023 (\$)
1	SSI Community Parks	Revenue Shortfalls for Saturday Market in 2020	125,937	125,937	-
2	SSI Parks and Recreation	SSI Parks and Recreation Revenue Shortfalls for Recreation Programs in 2020	40,000	40,000	-
3	SSI Park Land and Pool	Revenue Shortfalls due to Reduced Pool Capacity and Program Cancellations for 2021	39,928	39,928	-
4	SSI Grants-in-Aid	One Time Supplementary GIA Safe Restart	35,000	25,000	10,000
5	SSI Administration	Electronic Virtual Meeting Improvements	11,800	4,164	7,636
6	SSI Economic Development	Economic Development Coordinator	10,000	10,000	-
7	SSI Parks and Recreation	Revenue Shortfalls for Recreation Programs in 2020	1,335	1,335	-
Total			264,000	246,364	17,636

Southern Gulf Islands

No.	Service Area	Project	Grant Allocation (\$)	Funds Spent 2020-2021 (\$)	Funds Committed 2023 (\$)
1	SGL Grants-in-Aid	One Time Supplementary GIA Safe Restart	113,000	113,000	-
Total			113,000	113,000	-

Appendix C Update on the Status of Grant-funded Projects

Projects in Progress

No.	Grant Program	Project	Grant Awarded (\$)
1	Affordable Rental Innovation – Canada Mortgage and Housing Corporation	Regional Housing First Program	120,000,000
2	Building BC – Community Housing Fund – BC Housing	Caledonia Housing Project	18,475,000
3	Major Cities Stream – Rapid Housing Initiative Round 1 – Canada Mortgage and Housing Corporation	Partnership with BC Housing to build supportive housing at 2933 & 2949 Albina St. and at 1909 Prosser Rd.	13,056,502
4	Major Cities Stream – Rapid Housing Initiative Round 2 – Canada Mortgage and Housing Corporation	865 Catherine Street Supportive Housing Project, 45 units	11,290,921
5	Building BC – Community Housing Fund – BC Housing	2780 Spencer Rd project in partnership with CRHC	5,900,000
6	Environmental Quality – Green Infrastructure Stream – Investing in Canada Infrastructure Program	Magic Lake Estates Wastewater System Renewal	5,653,266
7	Community, Culture, Recreation – Investing in Canada Infrastructure Program – British Columbia	Mayne Island Regional Trail - Phase One Development	2,778,393
8	COVID-19 Safe Restart for Local Governments – Province of BC	COVID-19 Funding for Local Governments	1,996,000
9	Community, Culture and Recreation Stream – Investing in Canada Infrastructure Program – British Columbia	Elk/Beaver Lake Oxygenation System Project	750,000
10	Victoria Housing Reserve Fund – City of Victoria	Michigan Housing Project	620,000
11	Zero Emission Vehicle Program (2nd application) – Natural Resources Canada	110 Level Two Electric Vehicle Chargers	460,000
12	2022 FireSmart Community Funding & Supports – Community Resiliency Investment Program – UBCM	Capital Region FireSmart Program Establishment Project	282,444
13	Zero Emission Vehicle Awareness Initiative – Natural Resources Canada	Capital Region E-Mobility Awareness Initiative	224,000
14	Community Energy Financing – Federation of Canadian Municipalities	Capital Regional Residential Energy Retrofit Program	175,000
15	Community Buildings Greenhouse Gas Reduction Pathway Feasibility Study Grant – Green Municipal Fund – Federation of Canadian Municipalities	Developing a GHG Reduction Pathway for Capital Regional District Recreation Centres	148,400
16	Small Projects – Enabling Accessibility Fund – Employment and Social Development Canada	Improving Accessibility - Panorama Recreation & SEAPARC	100,000
17	BC Hydro Community Energy Manager Program	CRD's Community Energy Specialist from September 2021 – September 2023	100,000
18	Canada Nature Fund – Species at Risk Priority Places – Environment and Climate Change Canada Program	Species at Risk Assessment, Planning and Habitat Restoration at Mill Hill Regional Park	65,000
19	BC Rural Dividend – Rural Community Development Grants – Ministry of Forests, Lands, Resource Operations and Rural Development	SGI Broadband Connectivity - Planning Project	50,000
20	Zero Emission Vehicle Infrastructure Program, MURBS, Workplaces and LDV Fleets – Natural Resources Canada	Eight Level Two Electric Vehicle Chargers, up to 40K	40,000
21	BC Active Transportation Network Planning Grant Program	Update of the Pedestrian and Cycling Master Plan – SSI edition with a focus on a master transportation plan for Ganges Village	30,000

Projects Completed

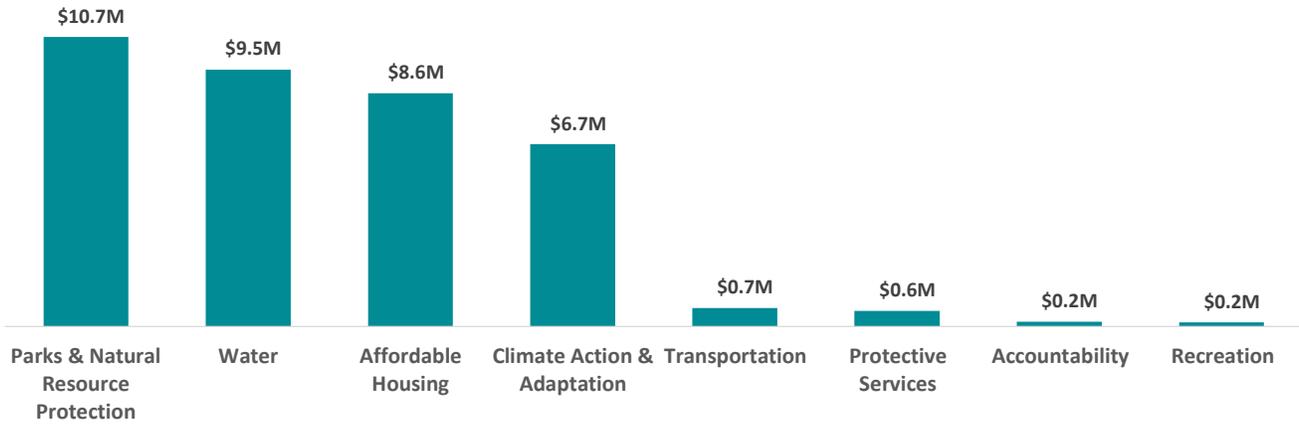
No.	Grant Program	Project	Grant Awarded (\$)
1	Bike BC Cycling Infrastructure Program – Ministry of Transportation and Infrastructure	E&N Rail Trail Phase 3: Atkins Ave. to Savory School	1,000,000
2	Community Child Care Space Creation Program – Ministry of Children and Family Development – UBCM	SSI Child Care Space Creation	832,725
3	Pilot Project: Signature Fund – Green Municipal Fund – Federation of Canadian Municipalities	Zero Emissions Fleet Initiative	350,000
4	Strengthening Communities' Services – UBCM	Salt Spring Island Homelessness COVID Response Project	308,520
5	2021 FireSmart Economic Recovery Fund – Community Resiliency Investment Program – UBCM	Capital Regional FireSmart Economic Recovery	137,907
6	Volunteer & Composite Fire Departments Equipment & Training – Community Emergency Preparedness Fund – UBCM	Joint CRD Volunteer Fire Department Equipment and Training Project	114,191
7	BC Rural Dividend – Rural Community Development Grants – Ministry of Forests, Lands, Resource Operations and Rural Development	Engineering Design for SGI Regional Trails	100,000
8	BC Rural Dividend – Rural Community Development Grants – Ministry of Forests, Lands, Resource Operations and Rural Development	Shared Service Business Model	90,750
9	COVID-19 Resilience Infrastructure Stream – Investing in Canada Infrastructure Program	SSI Drake Road Trail Upgrade Project	90,127
10	Unique Heritage Infrastructure Stream – Community Economic Recovery Infrastructure Program – Ministry of Transportation and Infrastructure	Goldstream Powerhouse Roof	76,000
11	Federation of Canadian Municipalities – Municipal Asset Management Program	Life Cycle Assessment Guide and Tool	50,000
12	Sustainable Communities Implementation Fund – BC Hydro	Capital Region Electric Vehicle Infrastructure Road Map	36,000
13	2021 Emergency Operations Centres & Training – Community Emergency Preparedness Fund – UBCM	CRD Electoral Area EOC Functional Exercises	25,000
14	UBCM 2020 Active Transportation Grant	Active Transportation Plan for the Southern Gulf Islands	20,000
15	CleanBC Go Electric Fleets Infrastructure Assessment Rebate – Ministry of Environment and Climate Change Strategy	Go Electric Fleets IWS Facility Assessment	4,500

*This Appendix provides an update on grant-funded projects as of December 31, 2022. It includes grant-funded projects that were approved prior to 2022.

Appendix D Grant Alignment with Community Needs

Community Needs Aligned with Grant Request (\$ Amount Applied for 2022 Activity)

The following graph highlights services' pursuit of grant applications in relation to the CRD's identified community needs.





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REPORT TO THE FINANCE COMMITTEE MEETING OF WEDNESDAY, MAY 03, 2023

SUBJECT 2024 Service and Financial Planning Guidelines

ISSUE SUMMARY

This report outlines the service and financial planning process for 2024 including key budget drivers for consideration.

BACKGROUND

The Capital Regional District (CRD) 2024 service and financial planning processes have begun. Board Priorities, Corporate Plan initiatives and core service delivery form the foundation of the 2024–2028 five-year financial plan. Appendix A highlights the overall corporate planning process while Appendix B details the timeline specific to the planning cycle.

The 2024 planning cycle marks the first year of the implementation of the Board approved 2023-2026 CRD Corporate Plan. The Corporate Plan identifies the initiatives that will progress service delivery in alignment with the Board Priorities. The Corporate Plan also includes initiatives that deliver on core service mandates, are necessary to meet regulatory requirements and help the organization keep pace with population growth and community expectations.

Impacts for initiatives will be summarized and presented with the 2024 service plans, known as Community Need Summaries, and the provisional budget will be presented at the Committee of the Whole meeting scheduled for October 25, 2023. As in prior years, to proactively influence the planning process, this report recommends planning guidelines in the context of observed trends, assumptions and drivers impacting the organization.

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the CRD Board:

That the service and financial planning guidelines as presented be approved and that staff be directed to prepare the draft financial plan review based on the timeline presented.

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

The guidelines are the policies and assumptions by which CRD Board and staff determine the most appropriate allocation of resources to deliver the Corporate Plan. Additionally, the guidelines inform decision making in consideration of the macro-economic environment and financial health of the organization.

Governance Implications

Alignment of the financial plan with strategic priorities and financial management strategies supports efficient and effective service delivery. The 2024 financial planning process will reflect feedback from various Commissions.

In 2024, staff will prioritize programs and initiatives that:

- Advance Board priorities or Corporate Plan initiatives;
- Operationalize capital investments; and/or
- Are necessary to maintain a core service level following a regulatory change or where there is a safety risk to customers, communities, or staff.

As in prior years, the public will continue to be engaged throughout the process with the established communications and feedback strategy. There are also ongoing opportunities for public input through committee, commission and CRD Board meetings. New for 2024, there will be a review of service and financial plans by committees for services with annual operating plans greater than \$5 million ahead of provisional budget approval scheduled for October 25, 2023. Plans presented to committees will total nearly two thirds of the operating budget.

Financial Implications

Financial Planning Guidelines

The financial planning guidelines advise the organization on internal and external drivers to influence management practices with respect to surpluses, reserves, debt and cost containment measures. This will enable the organization to optimize revenue requirements and minimize requisition increases. Analysis of the following areas influence the guidelines:

- 1) Economic Conditions
- 2) Core Service Levels and Infrastructure Investment
- 3) Financial Management Strategies

1) Economic Conditions

The financial plan relies on ongoing analysis and monitoring by staff of economic drivers and assumptions, with a focus on understanding their impact on both service delivery and financial performance. In the past year, three key interrelated economic indicators that remain under watch for their impact on service delivery are inflation, unemployment and interest rates.

Since the start of 2022, borrowing rates have undergone significant changes. Due to low unemployment rates and supply chain disruptions, inflation reached a 30-year high, prompting national policymakers to act. In response, the Bank of Canada (BOC) has increased the key overnight lending rate eight times between March 2022 and January 2023 in an effort to slow inflation and attain their 2% target. The overnight lending rate now sits at to 4.5%¹, increasing short- and long-term borrowing costs significantly higher than the year before. Despite the rate increase, inflation remains above BOC target currently. Rate increases do have a lagging affect on inflation, reducing economic activity over time as more business and consumers are exposed to higher rates. Market expectations are that inflation will decline nationally in the coming months

¹ <https://www.bankofcanada.ca/2023/04/fad-press-release-2023-04-12/>

however, other factors like unemployment levels also influence inflation. The BOC will continually re-assess the adequacy of its existing measures and is willing to further raise the rate if necessary.

Rising market rates have increased the long-term borrowing rates offered by the Municipal Finance Authority of BC, causing local governments across British Columbia to reevaluate and increase project budgets. The CRD is addressing these challenges through cost containment within the financial planning process and through effective use of financing strategies aimed at optimizing value for money by lowering overall borrowing costs.

Inflation in Canada has decreased since last summer's peak of 8.1%, with annual national Consumer Price Index inflation falling to 5.2% in February². Core inflation was just below 5%, due to a drop in the price of goods, energy prices and decreased spending brought about through monetary policy on the overnight rate. However, inflation remains higher in most provinces and regions, including 6.2% in British Columbia, 6.0% in Victoria, and 5.9% in Vancouver as of February 2023³. Although the British Columbia (BC) provincial budget, which was recently approved, assumes an inflation rate of 3.9% for forecasting, the Executive Leadership Team is setting a service planning cap of 3.5%.

Meanwhile, Victoria has the lowest unemployment rate in BC, and the second-lowest rate among Canadian urban centers. According to Statistics Canada, the city's jobless rate fell slightly to 3.2% last month, from 4.5%⁴ in August 2022, while Vancouver's unemployment rate rose slightly to 4.9%⁵. The provincial and national rates were 4.5% and 5.0% respectively. The tight conditions of the local employment market pose ongoing recruitment and retention challenges for CRD.

Service delivery and infrastructure investment will be affected by pricing and labor pressures. The increased utilization of CRD services, driven by population growth and local economic activity, leads to higher volumes and costs of delivery. To ensure optimal levels of service, the staff continuously monitors these costs. In response to increased uncertainty, conservative planning assumptions are recommended.

2) Core Service Levels and Infrastructure Funding

The CRD Board's 2023-2026 strategic priorities formed the basis of the Corporate Plan. These priorities are foundational to each service's work plans. The rolling five-year financial plan will reflect updated assumptions in timing, scope and cost estimates.

The most significant costs of service delivery are costs of capital and operating expenses such as salaries and benefits, debt servicing, materials and equipment. Changes in these expenditures will be influenced to a greater degree by uncontrollable economic conditions such as unemployment rates, supply and demand, surcharges and contractual agreements.

The organization has experienced growth in many core services within the past five years driven by community need and guided by the Corporate Plan. Service delivery review is an effective tool to evaluate efficacy of existing service delivery while priorities continue to evolve. The

² <https://www2.gov.bc.ca/gov/content/data/statistics/economy/consumer-price-index>

³ <https://www2.gov.bc.ca/gov/content/data/statistics/economy/consumer-price-index>

⁴ <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410038001>

⁵ <https://vancouverisland.ctvnews.ca/b-c-adds-14-000-jobs-with-second-lowest-unemployment-rate-in-canada-1.6345791>

organization's approach has been and will continue to include annual Board reviews to prioritize existing services and advance essential initiatives directly identified in the Corporate Plan.

Prioritization will focus on mitigating cost impacts where possible while still balancing essential services and initiatives. To exercise constraint and cost containment, the core inflationary adjustment will be kept to 3.5% in the planning process. Mitigation of inflationary pressures through retraction of auxiliary, delayed staffing and optimal levels of resourcing can aid the organization in absorbing cost pressures.

Also supporting the response to growth, more informed infrastructure investment planning has proceeded through the Board approved corporate asset management policy and strategy. Operationalized initiatives including reserve fund policies, maintenance intervention and a risk-based approach to asset renewal, have contributed to operating and capital cost reductions.

Additional asset management financial based initiatives include development and completion of:

- Sustainable Service Delivery plans to maintain and replace existing assets in short, medium and long-term horizons;
- Lifecycle Costing Framework integrating quantitative, qualitative, social, environmental and economic measures such as climate action and risk management; and
- Library of Financial Guidelines aimed at optimizing financial position, reserves and borrowing capacity while lowering current costs and current revenue.

3) Financial Management Strategies

Financial management strategies ensure critical financial objectives are integrated into organizational decision making and operations. The following outlines the financial management strategies that will generally guide financial planning:

- Optimize fees for service revenues and stabilize tax rates to fund operations, maintenance, growth and asset utilization
- Limit transfers to/from operating reserves, transferring only to fund one-time projects or to stabilize revenue requirements
- Levels of transfers to/from capital reserves supported through development of life cycle funding requirements and optimal levels of debt and debt terms
- One-time variances resulting in surplus transferred to reserve in order to fund future capital liabilities or reduce future revenue requirements and only applied to reduce tax rates in rare circumstances where the offset is sustainable and stable

Board approved financial policies and guidelines such as the asset management policy, capital reserve guideline and debt term guideline inform financial planning in a standard way at a service level whereas the strategies given above provide general corporate direction. Additional service level guidelines are under development including operating reserve guidelines and utility rate model guidelines.

CONCLUSION

Board Priorities, Corporate Plan initiatives and core service delivery form the foundation of the 2024–2028 five-year financial plan. To proactively influence the planning process, this report recommends planning guidelines in the context of observed trends, assumptions and drivers impacting the organization. The guidelines are the policies and assumptions by which CRD Board and staff determine the most appropriate allocation of resources to deliver the Corporate Plan. In response to a high degree of economic uncertainty, more conservative planning assumptions are recommended. Prioritization will focus on balancing cost pressures with ensuring essential service delivery.

RECOMMENDATION

The Finance Committee recommends to the CRD Board:
That the service and financial planning guidelines as presented be approved and that staff be directed to prepare the draft financial plan review based on the timeline presented.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kevin Lorette, P. Eng., MBA, General Manager, Planning & Protective Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: CRD Corporate Planning Framework
- Appendix B: 2024 CRD Financial Planning Timetable



Every four years, the Board sets the strategic priorities, policy and direction that guide the activities of the organization. Board members, other elected officials and, in some cases, First Nations and ratepayers sit on various committees and commissions that receive public input.



Public input happens throughout the planning cycle, through customer satisfaction surveys, financial plan consulting, user statistics, advisory body reports and other public engagement activities. This input drives the Board's strategic priorities.

Financial Planning Timetable

Appendix B

Service and Financial Planning Guidelines

CRD Timetable for 2024-2028 Financial Plan

Month	Description
June	Executive Leadership Team - Review and Prioritize initiative Business Cases Financial Plan Guidelines
June - August	Staff - Service Planning and Budget Preparation
September - October	Executive Leadership Team, Committees & Commissions - Review of Budgets, including Initiative Business Cases
October	Electoral Area Committee - Budgets and Initiative Business Cases (Oct 23) Committee of the Whole - Financial Plan and Initiative Business Cases (Oct 25) Board - Approval Provisional Financial Plan (Oct 25)
January	Surplus/Deficits - Budget Recast
March	Board - Final Bylaw Approval
April	Requisition



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**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT Operating Reserve Guidelines

ISSUE SUMMARY

Report on an overview of current Operating Reserve controls and guidelines to ensure sustainable service delivery.

BACKGROUND

This report presents the Operating Reserve Guidelines to accompany the Capital Reserve Guidelines adopted in July of 2021. It establishes measures that assess the health of operating reserves and provides targets for reserves in support of sustainable service delivery, a corporate plan priority.

Financial management strategies tailored to meet service delivery objectives provide opportunities to enhance service delivery not otherwise possible. Value creation through prudent use of revenue, reserves and borrowing investments are optimized over time. Table 1 below provides examples of financial management strategies that have been used to optimize investments in service delivery:

Table 1: Financial Management Strategies and Guidelines Summary

Report	Description
Capital Reserve Guidelines	Guidance for assessing capital reserve health, using the relationship between leverage and debt affordability, balancing between both to impact service delivery
Corporate Asset Management Program and Asset Management Strategy	Intervene throughout the life cycle of an asset with activities designed to extend and improve service delivery
Financial Debt Term Guidelines	Set optimal long-term debt amortization periods optimizing value for money on borrowings
Core Area Water Treatment Project (CAWTP) Financing Strategy	Integrate life-cycle costing, cost expectations, debt tolerance and cash flow planning
Capital Regional Hospital District (CRHD) Funding Model	Fund minor capital from cash on hand and major capital projects through debt financing aligned with asset life.
CRHD Summit Financing Strategy	Align long-term debt to operating lease agreement and mitigate risks associated with fluctuating interest rates.
Regional Housing First Program Business Model	Leverage grant funds to multiply service delivery four times the service delivery levels. Perpetuating leverage ability into the future
Renewable Natural Gas Business Case Model and Analysis	Optimize agreement terms and financing strategy
Park Land Acquisition	Asset value creation and maximum flexibility by using borrowings to acquire park land now for future service delivery

The models and guidelines developed to date provide a targeted use of financial strategies unlocking flexibility, value creation and long-term service delivery.

Financial health indicators have been tracked since 2017 and routinely measure financial performance of the organization. Using the Dominion Bond Rating Service rating methodology for municipal governments, the Capital Regional District (CRD) has maintained an AA or better rating since 2017. Other key health indicators monitor liquidity, interest coverage, leverage and capital reserve health.

In November of 2022, the Executive Leadership Team (ELT) adopted the Operating Reserve Guideline as presented in Appendix A. The guideline establishes a standard approach to the evaluating reserves and setting reserve limits, effectively formalizing the extent to which services will rely on operating reserves to support service delivery. These guidelines were approved for use in the upcoming 2024 financial planning process.

IMPLICATIONS

Adequate and appropriate funding sources are key to the organization's ability to sustain service delivery. In July 2021, the Capital Reserve Guidelines were adopted and have since been effective in establishing target reserve levels and the development of more effective financing strategies. Upon completion of the capital reserve, review of operating reserves commenced. The review activities were a scan of the organization's current operating reserve environment, covering:

- Current practice
- Current operating reserve bylaws
- Current operating reserve balances compared to target benchmarks

Based on the review, staff developed a guideline for use of key indicators to measure reserve health and inform financial planning in support of sustainable service delivery.

Legislative Implications

Operating Reserve Funds, under Local Government Section 377 and Community Charter Section 188 and 189, are established by way of Board approved bylaw to allow services to allocate operating funds. Operating reserves are typically created for the following purposes:

- Respond to unforeseen events and operating emergencies
- Accommodate known revenue or expense fluctuations, while maintaining service levels
- Funding cyclical maintenance expenditures and operating programs

All transfers to and from these reserves are approved by the Board as part of the annual financial planning process, with all transfers to and from these reserves being held in separate funds for each service in compliance with *Local Government Act* section 374.

Neither legislation nor CRD bylaws define how to set target operating reserve fund levels.

Other Local Government Practice

The research performed by staff included consideration of existing practice in local government. A review of practices included those recommended by the Government Finance Officers Association (GFOA) and by a selection of other local governments in British Columbia (BC), such as Metro Vancouver, City of Victoria, District of Saanich, Cariboo Regional District and Cowichan Valley Regional District.

CRD’s current practice aligns with best practices of other BC local governments and the GFOA’s recommendations. However, methods aimed at setting targets and monitoring health are not widely adopted.

Analysis

Within a local government context, operating reserves are needed to support one-time or unplanned fluctuations in a service operation that creates unreasonable swings in revenue or expense. Reserves assist with accumulating surplus or targeted savings for future use.

Operating reserves are most appropriate to assist with operational needs. Operationally, operating reserves are typically needed for Revenue Stabilization, Emergency/Contingency, Cyclical Maintenance and Operating Programs or Projects.

Within these categories, a standard approach has been derived to evaluate minimum and maximum benchmark levels as follows in Table 2:

Table 2: Operating Reserve Benchmarks, by Reserve Type

Operating Reserve Category	Description	Minimum Level	Maximum Level
Revenue Stabilization	User fee dependency / volatile revenue profile	Half month (5%) to two months (15%) of regular operating expenditures, rounded to the nearest higher \$1,000	Two months (15%) to four months (33%) of regular operating expenditures, rounded to the nearest higher \$1,000
Emergency / Contingencies	Unforeseen events	Half month (5%) of regular operating expenditures, rounded to the nearest higher \$1,000	One month (10%) of regular operating expenditures, rounded to the nearest higher \$1,000
Cyclical Maintenance	Large non-annual maintenance expenditures	Based on Lifecycle Plan and Cost	Based on Lifecycle Plan and Cost
Operating Programs	Large non-annual program expenditures	Based on planned spend of related programs	Based on planned spend of related programs

The objective is to identify reserve positions and shortfalls where there is risk to financial health within a service and take action during the annual financial planning processes. Using indicator exception reporting, staff will drive further analysis on a service-by-service basis within the financial plan development integrating existing asset management plans and revenue strategies.

Excluded from this guideline are Regional Water Supply and Juan De Fuca Water Distribution services, which do not use operating reserves to mitigate operating fluctuations. Instead, fluctuations in expenses are offset by the overall capital contribution under the Utility Model, which balances annual depreciation of assets.

Financial Implications

The CRD's 107 operating reserves promote financial stability and reduce the risk of service interruption. While some services have more than one reserve, most have a single reserve falling within the scope of the guidelines. Table 3 below summarizes results from Appendix B and C to the report.

Table 3: Summary of Results

Category	2022 Results
Within Target	8
Below Target	67
Above Target	32
Total Reserves:	107

Implementation of corporate monitoring revealed that some service areas have reserves outside the guideline ranges. If below target, this could make them more vulnerable to unexpected revenue disruptions, potentially impacting their financial stability. Conversely, services with operating reserve balances above the target range could benefit from assessing their circumstances and establishing plans to reduce future transfers from operating budgets.

To maintain the operating reserve balances within the desired target range, the staff will as part of financial planning, regularly monitor and reserves that fall below or above the target range.

Financial health indicators since 2017 have not included operating reserve funding levels. Operating reserve funding has been limited in the past to mitigate revenue increases. However, given the increasing frequency of unforeseen events such as climate-related disasters, health emergencies like the COVID-19 pandemic and unexpected changes in economic conditions, the financial implications are now more significant to annual revenue. To respond and prepare, regular review of operating reserve health is now considered compulsory in annual planning processes.

Other Considerations

The Operating Reserve Guidelines are designed to complement the Capital Reserve Guidelines, establishing a standard measure and practice for establishing and funding operating reserves. However, it is acknowledged that in certain instances, alternative approaches may be necessary to address revenue uncertainty.

CONCLUSION

The CRD has implemented various models and guidelines to support sustainable service delivery, including the recently established operating reserve guideline. The ELT approved operating reserve guidelines assess the impact of operating reserves on service delivery and compares current reserves to benchmarks. These guidelines are designed to optimize operating reserve funding levels and serve as a reference point to balance multiple objectives. Effective operating reserve management is an essential activity in support of financial sustainability and to prevent service disruption. Staff will utilize these guidelines to inform financial planning and ensure the CRD achieves its strategic objectives.

RECOMMENDATION

There is no recommendation. This report is for information only.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: CRD Operating Reserve Guidelines
- Appendix B: 2022 Operating Reserve Analysis (including ERM)
- Appendix C: 2022 Operating Reserve Analysis (excluding ERM)

Operating Reserve GUIDELINES

CRD FINANCIAL SERVICES

Purpose

To present an operating reserve guideline and framework to establish a standard practice for setting Capital Regional District (CRD) service area operating reserve target balance levels.

Background

Adequate operating reserve balances are considered an important tool in support of sustainable budgets and service delivery. Achieving an optimal operating reserve balance target achieves two goals:

1. Ensures an adequate level of operating assets are maintained to meet existing service levels and are consistent with, and supportive of, established long-term financial plans:
 - a. Funding one-time or cyclical expenditures (e.g., major capital asset maintenance once every three years)
 - b. Stabilizing ongoing revenue requirements
2. Ensures contingency funds are on-hand to address unexpected situations requiring immediate funding of service operations

These guidelines are based on the principle that the each CRD service area should maintain or build enough reserves to sustain the financial health and stability of the service area.

Operating reserve fund management will conform to the statutory and legal requirements of the *Local Government Act* and the *Community Charter*, Generally Accepted Accounting Principles (GAAP) and Public Sector Accounting Board (PSAB) recommendations.

Operating reserve balance targets are set during long-term sustainable service delivery planning activities and annually in the financial planning process. Operating reserve balance targets are determined within each service by operational management in partnership with Financial Services. These targets are reviewed annually for changes in assumptions and service delivery commitments. This guideline provides formulas which permit the service area management and finance to establish the target operating reserve balances as guideline. Individual service area circumstances will justify higher or lower target operating reserve balances.

For planning purposes, the primary sources of funding for operating investment are assumed to be transfers and surplus carry forward balances.

The key inputs to the analysis of a service area target operating reserve balances are:

- Master plans
- Service level strategic and service plans
- Sustainable service delivery plans
- Operating plans
- Grant opportunities, donations and other partnerships

Operating Reserve GUIDELINES

CRD FINANCIAL SERVICES

Continued development of sustainable service delivery plans and long-term financial plans will provide more reliable and available asset and operational data to better inform future funding levels. Reserve funding levels should always be revisited with the completion or revision of these plans.

Each year as part of the annual financial planning process, reserve transfers and reserve levels will be reviewed by Staff to ensure alignment with these guidelines. This review is subject to existing bylaw restrictions and, with respect to statutory reserves, legislative restrictions. Reserve funding and use of reserves should be determined in conjunction with policy and best practice regarding debt, grants, donations and other partnerships.

Financial Services, in cooperation with the operations manager, would determine the target operating reserve balance for each service area. Target levels would be reviewed corporately (i.e., Senior Manager/Chief Financial Officer) on an annual basis. Finance staff responsible for the service area should be contacted if there are questions regarding interpretation or application of these guidelines.

Audited information from the financial statements can be relied on in determining the minimum maintenance target operating reserve levels. This audited information is the best source of data available and is immediately available without imposing additional administrative burden.

Operating Reserve GUIDELINES
 CRD FINANCIAL SERVICES

RESERVE GUIDELINES

Operating Reserve Balance Approvals

Each CRD service should use these guidelines as a starting point for further analysis. Traditional oversight approval responsibilities are still required through both the long-term planning process and the annual financial planning process.

Target operating reserve balances would be reviewed corporately (i.e., Senior Manager/ Chief Financial Officer). The ideal target ratios would balance minimizing overall borrowing and asset management costs while using judgement.

Reserve Target Levels – Categorization

In general, CRD service areas can be divided into the following categories:

Operating Reserve Categorization	Time Period	Contingencies for Use	Time period to replenish drawdowns
1. Revenue Stabilization	Next requisition window plus 2-3 years	Revenue disruption	1-2 years
2. Emergencies / contingencies	Immediate – emergency basis	Unforeseen emergency / contingency	1-2 years
3. Cyclical Maintenance	Generally 2-5 year cycles	Routine non-annual maintenance	2- 4 years
4. Operating Programs	One-time or Generally 2-5 year cycles	Routine non-annual programming expenditures	2- 4 years

Operating Reserve GUIDELINES

CRD FINANCIAL SERVICES

Overall Reserve Funding Target Goals – Calculation Guidelines

In determining a level of operating reserves¹, the business risk profile of the service area will be reviewed and categorized as follows:

Operating Reserve Category	Description	Minimum Level	Maximum Level
Revenue Stabilization ²	User fee dependency / volatile revenue profile	Half Month (5%) to Two months (15%) to of regular operating expenditures, rounded to the nearest higher \$1,000	Two months (15%) to Four months (33%) of regular operating expenditures, rounded to the nearest higher \$1,000
Emergency / Contingencies	Unforeseen events	Half Month (5%) of regular operating expenditures, rounded to the nearest higher \$1,000	One month (10%) of regular operating expenditures, rounded to the nearest higher \$1,000
Cyclical Maintenance	Large non-annual capital maintenance expenditures	Based on Lifecycle Plan and Cost	Based on Lifecycle Plan and Cost
Operating Programs	Large non-annual program expenditures	Based on planned spend of related programs	Based on planned spend of related programs

Examples:

- Emergencies (e.g., natural disasters, earthquakes, pandemics) and/or sudden loss of key staff in services with significant exposure to tangible capital asset (TCA) exposure where the recommendation is to coordinate emergency response through the Legal and General service area.
- Cyclical maintenance such as reservoir cleaning every three years, or statutory requirements such as engaging a consultant for infrastructure review under provincial regulations

¹ These guideline does not apply to Regional Water Supply and Juan De Fuca Water Distribution services. These services do not use operating reserves to mitigate operating fluctuations. Rather, they offset any expense fluctuations by balancing annual depreciation of assets through the overall annual capital contribution under the Utility Model.

² For the purposes of these guidelines, Environmental Resource Management (ERM) Waste Reduction Sustainability Operating Reserve (Bylaw 3867) is classified as a revenue stabilization reserve, with a primary purpose to mitigate any future revenue or expense fluctuations.

Operating Reserve GUIDELINES

CRD FINANCIAL SERVICES

- Operating programs such as conducting large surveys every three to five years, large consultant reports/studies and election expenses every four to five years

Service Areas below Minimum Level:

Division Managers, with individual services having operating reserve funds lower than the minimum level, will review future plans for the reserve funds with the Senior Manager of Financial Services to determine if the following should be done:

1. Consider the tax base, resource needs and general economic conditions and establish a schedule of contributions (which may result in a requisition increase) required to comply with these guidelines. Re-establishing an operating reserve to the minimum target level may take several years.
2. Staff will use above approved schedule of contributions in the annual financial planning process and any required operating reserve contributions shall be made prior to any other discretionary item in the financial plan.

Service Areas Exceeding Maximum Level:

Division Managers, with individual services having operating reserve funds in excess of the maximum level, will review future plans for the reserve funds with the Senior Manager of Financial Services to determine if the following should be done:

1. Leave funds in the reserve based on the next Five-Year Financial Plan for operating;
2. Transfer excess funds not required by operating in the next financial plan into a capital reserve fund or;
3. Consider a reduction in requisition if the funds are not required by either operating or capital financial plans.

Operating Reserve GUIDELINES

CRD FINANCIAL SERVICES

Annual Maintenance Procedures

1. CRD Financial Services staff will identify those services where this policy is not applicable due to the nature of the service.
2. CRD Financial Services staff will identify each service where the operating reserve balances are below the minimum level or above the maximum level.
3. CRD Financial Services staff will use this information and follow these guideline recommendations below, based on the individual service circumstances.
4. These guidelines will be reviewed annually for required revisions or amendments because of changes in applicable statutes, accounting standards, economic conditions, etc.

Prepared By:	Financial Services	October 2021
Consulted With:	All Departments	
Informed:	All Departments	
Approved By:	ELT	November 24, 2022

CRD
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Appendix B:
 Indicative Analysis including ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
1.01	Legislative & General Government	6,112,968	11%	30%	3,259,836	8,890,462	2,853,132	-2,777,494
1.101	G.I.S.	54,399	11%	30%	62,474	170,383	-8,074	-115,984
1.103	Elections	125,101	6%	20%	14,246	47,486	110,855	77,614
1.105	Facility Management	123,346	11%	30%	217,498	593,175	-94,151	-469,829
1.106	CRD HQ Building	58,332	16%	40%	262,610	656,525	-204,278	-598,193
1.107	Corporate Satellite Facilities	0	11%	30%	24,068	65,641	-24,068	-65,641
1.109	Electoral Area Admin Exp - JDF	0	6%	20%	3,830	12,767	-3,830	-12,767
1.11	Electoral Area Admin Exp - SGI	114,807	6%	20%	27,918	93,061	86,888	21,746
1.111	Electoral Area Admin Exp - SSI	0	6%	20%	59,307	197,689	-59,307	-197,689
1.123	Family Court Building	0	6%	20%	165	550	-165	-550
1.124	SSI Economic Development Commission	25,197	6%	20%	6,049	20,164	19,148	5,033
1.125	SGI Economic Development Commission	8,164	6%	20%	7,389	24,631	774	-16,467
1.137	Galiano Island Library Service	0	6%	20%	3,612	12,040	-3,612	-12,040
1.141	Salt Spring Island Public Library	0	6%	20%	38,309	127,698	-38,309	-127,698
1.17	Gossip Island Electric Power Supply	0	11%	30%	6,270	17,099	-6,270	-17,099
1.224	Community Health - Homeless Sec.	78,605	6%	20%	48,972	163,240	29,633	-84,636
1.226	Health Facilities - VIHA	0	6%	20%	66,285	220,950	-66,285	-220,950
1.235	S. G. I. Small Craft Harbour Facilities	0	6%	20%	16,543	55,144	-16,543	-55,144
1.236	Salt Spring Island Fernwood Dock	0	6%	20%	951	3,169	-951	-3,169
1.238A	Community Transit (S.S.I.)	0	6%	20%	29,580	98,599	-29,580	-98,599
1.238B	Community Transportation (S.S.I.)	211,865	11%	30%	9,043	24,662	202,822	187,203
1.28	Regional Parks	114,694	16%	40%	2,028,975	5,072,438	-1,914,281	-4,957,743
1.29	Royal Theatre	0	11%	30%	22,220	60,600	-22,220	-60,600
1.295	McPherson Theatre	0	11%	30%	48,180	131,400	-48,180	-131,400
1.297	Arts Grants	322,109	6%	20%	180,384	601,280	141,725	-279,172
1.299	Salt Spring Island Arts	0	6%	20%	7,306	24,352	-7,306	-24,352
1.309	Climate Action and Adaptation	936,580	6%	20%	93,175	310,584	843,404	625,996
1.31	Land Banking & Housing	405,178	0%	0%	0	0	405,178	405,178
1.313	Animal Care Services	490,461	6%	20%	86,961	289,872	403,500	200,590
1.318	Building Inspection	612,699	11%	30%	192,357	524,610	420,342	88,088
1.319	Soil Deposit Removal	74,675	6%	20%	343	1,144	74,332	73,531
1.32	Noise Control	21,805	6%	20%	2,401	8,004	19,403	13,800
1.322	Nuisances & Unsightly Premises	19,000	6%	20%	3,203	10,675	15,797	8,325
1.323	By-Law Enforcement	0	6%	20%	30,137	100,455	-30,137	-100,455
1.324	Regional Planning Services	1,697,335	16%	40%	350,562	876,405	1,346,773	820,930
1.325	Electoral Area Services - Planning	385,628	16%	40%	117,004	292,509	268,625	93,119

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Appendix B:
 Indicative Analysis including ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
1.33	Regional Growth Strategy	1,731,257	16%	40%	50,929	127,324	1,680,328	1,603,934
1.335	Geo-Spatial Referencing System	10,863	6%	20%	6,870	22,899	3,993	-12,036
1.35	Willis Point Fire Protect & Recreation	0	11%	30%	13,564	36,994	-13,564	-36,994
1.352	South Galiano Fire Protection	0	11%	30%	42,773	116,654	-42,773	-116,654
1.353	Otter Point Fire Protection	0	11%	30%	39,639	108,107	-39,639	-108,107
1.355	Durrance Road Fire Protection	2,951	11%	30%	299	816	2,652	2,135
1.356	Pender Fire Protection	0	11%	30%	110,959	302,614	-110,959	-302,614
1.357	East Sooke Fire Protection	0	11%	30%	50,416	137,499	-50,416	-137,499
1.358	Port Renfrew Fire Protection	0	11%	30%	14,262	38,897	-14,262	-38,897
1.359	N. Galiano Fire Protection	0	11%	30%	23,729	64,715	-23,729	-64,715
1.36	Shirley Fire Protection	0	11%	30%	10,740	29,292	-10,740	-29,292
1.369	Electoral Area Fire Services - JDF/SGL	323,799	11%	30%	15,572	42,470	308,227	281,329
1.37	Juan de Fuca Emergency Program	0	11%	30%	8,023	21,880	-8,023	-21,880
1.371	S.S.I. Emergency Program	72,341	11%	30%	14,311	39,031	58,029	33,310
1.372	Electoral Area Emergency Program	60,373	11%	30%	68,504	186,829	-8,131	-126,456
1.373	S.G.I. Emergency Program	239,231	11%	30%	25,987	70,874	213,244	168,357
1.374	Regional Emergency Program Support	36,896	11%	30%	21,517	58,683	15,379	-21,787
1.375	Hazardous Material Incident Response	118,838	11%	30%	37,673	102,743	81,166	16,095
1.377	J.D.F. Search and Rescue	0	11%	30%	9,578	26,122	-9,578	-26,122
1.40X	SEAPARC	34,663	16%	40%	625,370	1,563,426	-590,707	-1,528,762
1.405	JDF EA - Community Parks	0	11%	30%	19,420	52,964	-19,420	-52,964
1.408	JDF EA - Community Recreation	0	11%	30%	9,914	27,038	-9,914	-27,038
1.44X	Panorama Rec. Center.	401,087	16%	40%	1,465,072	3,662,681	-1,063,985	-3,261,594
1.455	Salt Spring Island - Community Parks	0	11%	30%	109,351	298,229	-109,351	-298,229
1.458	Salt Spring Is.- Community Rec	451	11%	30%	29,128	79,441	-28,677	-78,990
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	18,581	11%	30%	192,707	525,564	-174,126	-506,983
1.465	Saturna Island Comm. Parks	0	6%	20%	1,134	3,780	-1,134	-3,780
1.475	Mayne Is. Com. Parks & Rec	0	6%	20%	4,503	15,009	-4,503	-15,009
1.485	North & South Pender Com. Parks	0	6%	20%	7,348	24,495	-7,348	-24,495
1.495	Galiano Parks	0	6%	20%	5,089	16,965	-5,089	-16,965
1.521	SWMP -Solid Waste Disposal (Refuse Disposal)	26,910,018	17%	43%	3,925,234	9,928,532	22,984,785	16,981,486
1.523	Port Renfrew Refuse Disposal	0	11%	30%	9,185	25,049	-9,185	-25,049
1.531	Stormwater Quality Management - Sooke	50,412	6%	20%	1,389	4,629	49,024	45,783
1.533	Stormwater Quality Management - S.G.I.	20,797	6%	20%	2,346	7,820	18,451	12,977
1.535	Stormwater Quality Management - S.S.I.	77,945	6%	20%	2,878	9,594	75,067	68,351
1.536	LWMP-Stormwater Quality Management-Core	279,186	6%	20%	43,944	146,480	235,242	132,706
1.537	Stormwater Quality Management - Peninsula	44,157	6%	20%	7,086	23,621	37,071	20,536

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 Operating Reserve Analysis
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Appendix B:
 Indicative Analysis including ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
1.538	Source - Stormwater Quality - Peninsula	48,179	6%	20%	3,351	11,171	44,828	37,008
1.575	Env. Ser. - Administration	60,989	6%	20%	11,660	38,865	49,329	22,124
1.576	Env. Engineering Services	459,483	11%	30%	279,228	761,530	180,256	-302,047
1.577	Env. Ser. - Operations	1,007,205	11%	30%	1,314,316	3,584,499	-307,111	-2,577,294
1.578	Env. Protection and Water Quality	807,250	12%	35%	1,031,453	3,008,404	-224,202	-2,201,153
1.579	Water Quality	528,412	6%	20%	0	0	528,412	528,412
1.911	911 Systems	106,774	16%	40%	397,134	992,836	-290,361	-886,062
1.913	913 Fire Dispatch	0	11%	30%	28,975	79,024	-28,975	-79,024
2.62	SSI Highland Water System	0	21%	48%	6,504	14,866	-6,504	-14,866
2.621	Highland / Fernwood Water - SSI	30,566	11%	30%	45,904	125,192	-15,338	-94,626
2.622	Cedars of Tuam	7,867	21%	48%	8,812	20,142	-945	-12,275
2.624	Beddis Water	17,170	21%	48%	46,830	107,040	-29,660	-89,870
2.626	Fulford Water	4,404	21%	48%	38,373	87,710	-33,969	-83,306
2.628	Cedar Lane Water (S.S.I.)	5,331	21%	48%	15,978	36,522	-10,647	-31,191
2.63	Magic Lakes Estate Water System	45,504	21%	48%	180,713	413,059	-135,209	-367,555
2.64	Saturna Island Water System (Lyll Harbour)	10,931	21%	48%	43,750	99,999	-32,818	-89,068
2.642	Skana Water (Mayne)	6,092	21%	48%	11,259	25,735	-5,167	-19,643
2.65	Port Renfrew Water	1,171	21%	48%	25,852	59,091	-24,681	-57,920
2.66	Fernwood Water	0	21%	48%	3,040	6,949	-3,040	-6,949
2.665	Sticks Allison Water (Galiano)	7,433	21%	48%	13,126	30,002	-5,692	-22,568
2.667	Surfside Park Estates (Mayne)	14,255	21%	48%	21,211	48,483	-6,957	-34,228
2.691	Wilderness Mountain Water Service	6,277	21%	48%	33,022	75,479	-26,745	-69,202
3.705	S.S.I. Septage/Composting	20,630	21%	48%	200,135	457,452	-179,505	-436,822
3.707	On Site System Management Program - LWMP	384,233	6%	20%	11,342	37,808	372,891	346,426
3.709	I&I Enhanced Program	0	11%	30%	55,760	152,074	-55,760	-152,074
3.717	Core Area Wastewater Operations	10,633,127	16%	40%	4,491,473	11,228,682	6,141,654	-595,555
3.718	Peninsula Wastewater TP	658,259	21%	48%	870,346	1,989,362	-212,087	-1,331,103
3.72	LWMP (Peninsula) - Implementation	135,311	6%	20%	5,986	19,953	129,325	115,358
3.75	LWMP-Public Involvement Process	726,636	6%	20%	19,021	63,403	707,615	663,233

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Appendix B:
 Indicative Analysis including ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
3.755	Regional Source Control	498,070	6%	20%	98,873	329,575	399,197	168,495
3.81	Ganges Sewer	96,008	21%	48%	202,692	463,296	-106,684	-367,288
3.82	Maliview Estates Sewer System	31,043	21%	48%	32,984	75,391	-1,940	-44,348
3.83	Magic Lake Estates Sewer System	23,075	21%	48%	167,276	382,344	-144,201	-359,269
3.85	Port Renfrew Sewer	4,377	21%	48%	21,916	50,093	-17,538	-45,715
		<u>58,812,858</u>			<u>24,092,903</u>	<u>62,625,255</u>	<u>34,719,955</u>	<u>-3,812,397</u>

Analysis - Below Target:

Local Services	52
Other	15
	<u>67</u>

Analysis - Over Target:

Local Services	19
Other	13
	<u>32</u>

Analysis - In Range:

Local Services	2
Other	6
	<u>8</u>

CRD
 Operating Reserve Analysis
 December 31, 2022

Appendix C:
 Indicative Analysis excluding ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
1.01	Legislative & General Government	6,112,968	11%	30%	3,259,836	8,890,462	2,853,132	-2,777,494
1.101	G.I.S.	54,399	11%	30%	62,474	170,383	-8,074	-115,984
1.103	Elections	125,101	6%	20%	14,246	47,486	110,855	77,614
1.105	Facility Management	123,346	11%	30%	217,498	593,175	-94,151	-469,829
1.106	CRD HQ Building	58,332	16%	40%	262,610	656,525	-204,278	-598,193
1.107	Corporate Satellite Facilities	0	11%	30%	24,068	65,641	-24,068	-65,641
1.109	Electoral Area Admin Exp - JDF	0	6%	20%	3,830	12,767	-3,830	-12,767
1.11	Electoral Area Admin Exp - SGI	114,807	6%	20%	27,918	93,061	86,888	21,746
1.111	Electoral Area Admin Exp - SSI	0	6%	20%	59,307	197,689	-59,307	-197,689
1.123	Family Court Building	0	6%	20%	165	550	-165	-550
1.124	SSI Economic Development Commission	25,197	6%	20%	6,049	20,164	19,148	5,033
1.125	SGI Economic Development Commission	8,164	6%	20%	7,389	24,631	774	-16,467
1.137	Galiano Island Library Service	0	6%	20%	3,612	12,040	-3,612	-12,040
1.141	Salt Spring Island Public Library	0	6%	20%	38,309	127,698	-38,309	-127,698
1.17	Gossip Island Electric Power Supply	0	11%	30%	6,270	17,099	-6,270	-17,099
1.224	Community Health - Homeless Sec.	78,605	6%	20%	48,972	163,240	29,633	-84,636
1.226	Health Facilities - VIHA	0	6%	20%	66,285	220,950	-66,285	-220,950
1.235	S. G. I. Small Craft Harbour Facilities	0	6%	20%	16,543	55,144	-16,543	-55,144
1.236	Salt Spring Island Fernwood Dock	0	6%	20%	951	3,169	-951	-3,169
1.238A	Community Transit (S.S.I.)	0	6%	20%	29,580	98,599	-29,580	-98,599
1.238B	Community Transportation (S.S.I.)	211,865	11%	30%	9,043	24,662	202,822	187,203
1.28	Regional Parks	114,694	16%	40%	2,028,975	5,072,438	-1,914,281	-4,957,743
1.29	Royal Theatre	0	11%	30%	22,220	60,600	-22,220	-60,600
1.295	McPherson Theatre	0	11%	30%	48,180	131,400	-48,180	-131,400
1.297	Arts Grants	322,109	6%	20%	180,384	601,280	141,725	-279,172

CRD
 Operating Reserve Analysis
 December 31, 2022

Appendix C:
 Indicative Analysis excluding ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
1.299	Salt Spring Island Arts	0	6%	20%	7,306	24,352	-7,306	-24,352
1.309	Climate Action and Adaptation	936,580	6%	20%	93,175	310,584	843,404	625,996
1.31	Land Banking & Housing	405,178	0%	0%	0	0	405,178	405,178
1.313	Animal Care Services	490,461	6%	20%	86,961	289,872	403,500	200,590
1.318	Building Inspection	612,699	11%	30%	192,357	524,610	420,342	88,088
1.319	Soil Deposit Removal	74,675	6%	20%	343	1,144	74,332	73,531
1.32	Noise Control	21,805	6%	20%	2,401	8,004	19,403	13,800
1.322	Nuisances & Unsightly Premises	19,000	6%	20%	3,203	10,675	15,797	8,325
1.323	By-Law Enforcement	0	6%	20%	30,137	100,455	-30,137	-100,455
1.324	Regional Planning Services	1,697,335	16%	40%	350,562	876,405	1,346,773	820,930
1.325	Electoral Area Services - Planning	385,628	16%	40%	117,004	292,509	268,625	93,119
1.33	Regional Growth Strategy	1,731,257	16%	40%	50,929	127,324	1,680,328	1,603,934
1.335	Geo-Spatial Referencing System	10,863	6%	20%	6,870	22,899	3,993	-12,036
1.35	Willis Point Fire Protect & Recreation	0	11%	30%	13,564	36,994	-13,564	-36,994
1.352	South Galiano Fire Protection	0	11%	30%	42,773	116,654	-42,773	-116,654
1.353	Otter Point Fire Protection	0	11%	30%	39,639	108,107	-39,639	-108,107
1.355	Durrance Road Fire Protection	2,951	11%	30%	299	816	2,652	2,135
1.356	Pender Fire Protection	0	11%	30%	110,959	302,614	-110,959	-302,614
1.357	East Sooke Fire Protection	0	11%	30%	50,416	137,499	-50,416	-137,499
1.358	Port Renfrew Fire Protection	0	11%	30%	14,262	38,897	-14,262	-38,897
1.359	N. Galiano Fire Protection	0	11%	30%	23,729	64,715	-23,729	-64,715
1.36	Shirley Fire Protection	0	11%	30%	10,740	29,292	-10,740	-29,292
1.369	Electoral Area Fire Services - JDF/SGL	323,799	11%	30%	15,572	42,470	308,227	281,329
1.37	Juan de Fuca Emergency Program	0	11%	30%	8,023	21,880	-8,023	-21,880
1.371	S.S.I. Emergency Program	72,341	11%	30%	14,311	39,031	58,029	33,310
1.372	Electoral Area Emergency Program	60,373	11%	30%	68,504	186,829	-8,131	-126,456
1.373	S.G.I. Emergency Program	239,231	11%	30%	25,987	70,874	213,244	168,357
1.374	Regional Emergency Program Support	36,896	11%	30%	21,517	58,683	15,379	-21,787
1.375	Hazardous Material Incident Response	118,838	11%	30%	37,673	102,743	81,166	16,095
1.377	J.D.F. Search and Rescue	0	11%	30%	9,578	26,122	-9,578	-26,122
1.40X	SEAPARC	34,663	16%	40%	625,370	1,563,426	-590,707	-1,528,762
1.405	JDF EA - Community Parks	0	11%	30%	19,420	52,964	-19,420	-52,964
1.408	JDF EA - Community Recreation	0	11%	30%	9,914	27,038	-9,914	-27,038
1.44X	Panorama Rec. Center.	401,087	16%	40%	1,465,072	3,662,681	-1,063,985	-3,261,594
1.455	Salt Spring Island - Community Parks	0	11%	30%	109,351	298,229	-109,351	-298,229
1.458	Salt Spring Is.- Community Rec	451	11%	30%	29,128	79,441	-28,677	-78,990
1.459	Salt Spring Is- Pool, Parks, Land, Art & Rec. Prog	18,581	11%	30%	192,707	525,564	-174,126	-506,983
1.465	Saturna Island Comm. Parks	0	6%	20%	1,134	3,780	-1,134	-3,780

CRD
 Operating Reserve Analysis
 December 31, 2022

Appendix C:
 Indicative Analysis excluding ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
1.475	Mayne Is. Com. Parks & Rec	0	6%	20%	4,503	15,009	-4,503	-15,009
1.485	North & South Pender Com. Parks	0	6%	20%	7,348	24,495	-7,348	-24,495
1.495	Galiano Parks	0	6%	20%	5,089	16,965	-5,089	-16,965
1.523	Port Renfrew Refuse Disposal	0	11%	30%	9,185	25,049	-9,185	-25,049
1.531	Stormwater Quality Management - Sooke	50,412	6%	20%	1,389	4,629	49,024	45,783
1.533	Stormwater Quality Management - S.G.I.	20,797	6%	20%	2,346	7,820	18,451	12,977
1.535	Stormwater Quality Management - S.S.I.	77,945	6%	20%	2,878	9,594	75,067	68,351
1.536	LWMP-Stormwater Quality Management-Core	279,186	6%	20%	43,944	146,480	235,242	132,706
1.537	Stormwater Quality Management - Peninsula	44,157	6%	20%	7,086	23,621	37,071	20,536
1.538	Source - Stormwater Quality - Peninsula	48,179	6%	20%	3,351	11,171	44,828	37,008
1.575	Env. Ser. - Administration	60,989	6%	20%	11,660	38,865	49,329	22,124
1.576	Env. Engineering Services	459,483	11%	30%	279,228	761,530	180,256	-302,047
1.577	Env. Ser. - Operations	1,007,205	11%	30%	1,314,316	3,584,499	-307,111	-2,577,294
1.578	Env. Protection and Water Quality	807,250	12%	35%	1,031,453	3,008,404	-224,202	-2,201,153
1.579	Water Quality	528,412	6%	20%	0	0	528,412	528,412
1.911	911 Systems	106,774	16%	40%	397,134	992,836	-290,361	-886,062
1.913	913 Fire Dispatch	0	11%	30%	28,975	79,024	-28,975	-79,024
2.62	SSI Highland Water System	0	21%	48%	6,504	14,866	-6,504	-14,866
2.621	Highland / Fernwood Water - SSI	30,566	11%	30%	45,904	125,192	-15,338	-94,626
2.622	Cedars of Tuam	7,867	21%	48%	8,812	20,142	-945	-12,275
2.624	Beddis Water	17,170	21%	48%	46,830	107,040	-29,660	-89,870
2.626	Fulford Water	4,404	21%	48%	38,373	87,710	-33,969	-83,306
2.628	Cedar Lane Water (S.S.I.)	5,331	21%	48%	15,978	36,522	-10,647	-31,191
2.63	Magic Lakes Estate Water System	45,504	21%	48%	180,713	413,059	-135,209	-367,555
2.64	Saturna Island Water System (Lyall Harbour)	10,931	21%	48%	43,750	99,999	-32,818	-89,068
2.642	Skana Water (Mayne)	6,092	21%	48%	11,259	25,735	-5,167	-19,643
2.65	Port Renfrew Water	1,171	21%	48%	25,852	59,091	-24,681	-57,920
2.66	Fernwood Water	0	21%	48%	3,040	6,949	-3,040	-6,949
2.665	Sticks Allison Water (Galiano)	7,433	21%	48%	13,126	30,002	-5,692	-22,568
2.667	Surfside Park Estates (Mayne)	14,255	21%	48%	21,211	48,483	-6,957	-34,228
2.691	Wilderness Mountain Water Service	6,277	21%	48%	33,022	75,479	-26,745	-69,202
3.705	S.S.I. Septage/Composting	20,630	21%	48%	200,135	457,452	-179,505	-436,822
3.707	On Site System Management Program - LWMP	384,233	6%	20%	11,342	37,808	372,891	346,426
3.709	I&I Enhanced Program	0	11%	30%	55,760	152,074	-55,760	-152,074
3.717	Core Area Wastewater Operations	10,633,127	16%	40%	4,491,473	11,228,682	6,141,654	-595,555
3.718	Peninsula Wastewater TP	658,259	21%	48%	870,346	1,989,362	-212,087	-1,331,103
3.72	LWMP (Peninsula) - Implementation	135,311	6%	20%	5,986	19,953	129,325	115,358
3.75	LWMP-Public Involvement Process	726,636	6%	20%	19,021	63,403	707,615	663,233

CRD
 Operating Reserve Analysis
 December 31, 2022

Appendix C:
 Indicative Analysis excluding ERM

Service Area	Service Area Name	2022 Operating Reserve Balance	Min - Target%	Max - Target%	Min - Target\$	Max - Target\$	Difference - Min\$	Difference - Max\$
3.755	Regional Source Control	498,070	6%	20%	98,873	329,575	399,197	168,495
3.81	Ganges Sewer	96,008	21%	48%	202,692	463,296	-106,684	-367,288
3.82	Maliview Estates Sewer System	31,043	21%	48%	32,984	75,391	-1,940	-44,348
3.83	Magic Lake Estates Sewer System	23,075	21%	48%	167,276	382,344	-144,201	-359,269
3.85	Port Renfrew Sewer	4,377	21%	48%	21,916	50,093	-17,538	-45,715
		<u>31,902,840</u>			<u>20,167,669</u>	<u>52,696,723</u>	<u>11,735,171</u>	<u>-20,793,883</u>

Analysis - Below Target:

Local Services	52
Other	15
	<u>67</u>

Analysis - Over Target:

Local Services	19
Other	12
	<u>31</u>

Analysis - In Range:

Local Services	2
Other	6
	<u>8</u>



Making a difference...together

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT Bylaw No. 4547: Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023

ISSUE SUMMARY

Pursuant to the Capital Regional District (CRD) Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023”, this report brings forward the loan authorization Bylaw No. 4547 for the purpose of financing the construction of the Panorama Heat Recovery System.

BACKGROUND

On March 29, 2023, the Board approved Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023”. The plan sets out capital expenditure for each service, including planned borrowings. As is the case each year following plan approval, staff prepare necessary loan authorization bylaws and security issuing bylaws. Borrowing for the Saanich Peninsula Recreation Services for the Panorama Heat Recovery System was identified in the approved financial plan for up to \$2.453 million.

Loan authorization bylaws expire after five years, so bylaws are most commonly drafted to cover the five-year financial plan for services requiring borrowing to fund capital. The loan authorization bylaw will specify the maximum amount, the restricted use and the debt repayment amortization period.

The Saanich Peninsula Recreation Services capital plan (the “Capital Plan”) includes the construction of the Panorama Heat Recovery System that will require borrowing up to \$2.453 million from the Municipal Finance Authority of British Columbia (MFABC). Requests for funds to be drawn against the loan authorization bylaw will only be authorized upon Board approval of a subsequent security issuing bylaw. The security issuing bylaws are prepared twice annually and include only those borrowings for which there is a cash flow need as determined by the approved financial plan.

The following bylaw is proposed:

Service Area	Action	Purpose	Bylaw
Saanich Peninsula Recreation Services	Loan Authorization Bylaw	To create a loan authorization bylaw to permit long-term borrowing related to the capital plan for this service	4547

ALTERNATIVES

Alternative 1

The Finance Commission recommends to the Capital Regional District Board:

1. That Bylaw No. 4547, “Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023”, be introduced and read a first, second and third time;
2. That approval on behalf of the participating areas for Bylaw No. 4547 be obtained through the municipal consent process, according to sections 346 of the Local Government Act, and if successful, that Bylaw No. 4547 be referred to the Inspector of Municipalities for approval.

Alternative 2

That the proposed bylaw be referred back to staff for further information.

IMPLICATIONS

Legislative & Financial Implications

Section 24 of the *Municipal Finance Authority Act*, RSBC 1996 c 325 states that a regional district security issuing bylaw may only be enacted and financed if the long-term borrowing is arranged through the Municipal Finance Authority of British Columbia (MFABC). The loan authorization required is up to \$2.453 million and will support the planned five-year capital plan expenditures commencing in January 2023. The estimated debt servicing costs for the borrowing are included in the approved in the 2023-2027 Financial Plan Bylaw. Borrowing for construction of the Panorama Heat Recovery System is planned to allow the efficient execution of the project.

Where MFABC’s indicative interest rate as of March 6, 2023 was 4.57%, the estimated annual debt servicing cost is approximately \$0.239 million with an amortization term of 15 years. The total cost of financing is expected to be \$3.588 million. Debt servicing costs within the plan are funded by requisition. Actual borrowings in each of the next five years will be based on the cash flow requirements for the year.

Long-term borrowing (i.e., loans with a term of more than five years) cannot be undertaken without the loan authorization bylaw being approved and, subsequently and separately, a security issuing bylaw being approved, in accordance with the *Local Government Act*.

As part of the loan authorization bylaw approval process, the bylaw requires elector approval. Elector approval can be obtained through consent on behalf of municipal participants and electoral participating areas (by sub-regional AAP), a referendum, or by a regional alternative approval process (AAP) for the entire service area. Consent on behalf of municipal participants is initiated when the loan authorization bylaw has received third reading by the Board and approval by the Inspector of Municipalities and is the preferred method administratively in this instance.

To ensure optimization of interest and timing of long-term debt, issuance of a temporary borrowing will be proposed if Ministerial approval is obtained and the AAP proves successful. The timing of the debt issuance will be based on the timing of expenditures and will be dependent on prevailing interest rates at the time. Before long-term debt issuance can be exercised, a security issuing bylaw will be brought forward for approval. The term of debt issuance under the loan authorization will be 15 years.

CONCLUSION

The Board-approved Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023”, sets out capital expenditure for each service, including planned borrowings. Borrowing for the Saanich Peninsula Recreation Services was identified in the approved financial plan of up to \$2.453 million. Bylaw No. 4547, “Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023”, is presented now in preparation for future borrowing to enable the construction of the Panorama Heat Recovery System included in the Service’s five-year (2023-2027) capital plan.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4547, “Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023”, be introduced and read a first, second and third time;
2. That approval on behalf of the participating areas for Bylaw No. 4547 be obtained through the municipal consent process, according to sections 346 of the Local Government Act, and if successful, that Bylaw No. 4547 be referred to the Inspector of Municipalities for approval.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4547, “Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023”

APPENDIX A

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4547

A BYLAW TO AUTHORIZE THE BORROWING OF TWO MILLION FOUR HUNDRED FIFTY-THREE THOUSAND DOLLARS (\$2,453,000) FOR THE PURPOSE OF CONSTRUCTION OF A HEAT RECOVERY SYSTEM FOR THE PANORAMA RECREATION CENTRE

WHEREAS:

- A. Under Bylaw No. 3008, "Saanich Peninsula Recreation Services Combination Bylaw No. 1, 2002", the Capital Regional District established a service for recreational and related community programs, equipment, and facilities for the municipal participating areas of the District of North Saanich, the Town of Sidney, and the District of Central Saanich;
- B. The Board of the Capital Regional District wishes to construct a Heat Recovery System for the Panorama Recreation Centre as included in the service's capital plan;
- C. The estimated cost of the Project, including expenses incidental thereto to be funded by debt servicing, the sum of Two Million Four Hundred Fifty-Three Thousand Dollars (\$2,453,000); which is the amount of debt intended to be authorized by this bylaw;
- D. Pursuant to Section 407(3)(c) of the Local Government Act, elector approval is required, and pursuant to Section 346, elector consent is to be obtained on behalf of the municipal participating areas;
- E. The approval of the Inspector of Municipalities is required under Section 342 of the Local Government Act; and
- F. Financing is proposed to be undertaken by the Municipal Finance Authority of British Columbia pursuant to agreements between it and the Capital Regional District;

NOW THEREFORE the Capital Regional District Board in open meeting assembled hereby enacts as follows:

1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the planning, study, design and construction of works for the Project in connection with the service and to do all things necessary in connection with the Project and without limiting the generality of the foregoing:
 - a) to borrow upon the credit of the Capital Regional District a sum not exceeding Two Million Four Hundred Fifty-Three Thousand Dollars (\$2,453,000); and
 - b) to acquire all such real property, easements, rights-of-way, leases, licenses, rights or authorities as may be requisite or desirable for or in connection with the Project.

APPENDIX A

2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is fifteen (15) years.
3. This Bylaw may be cited as "Saanich Peninsula Recreation Services (Panorama Heat Recovery System) Loan Authorization Bylaw No. 1, 2023".

READ A FIRST TIME THIS	day of	2023
READ A SECOND TIME THIS	day of	2023
READ A THIRD TIME THIS	day of	2023
APPROVED BY MUNICIPAL COUNCIL CONSENT PROCESS PER S.346 and S.347 OF THE <i>LOCAL GOVERNMENT ACT</i> THIS	day of	2023
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	day of	2023
ADOPTED THIS	day of	2023

CHAIR

CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS day of



Making a difference...together

**REPORT TO FINANCE COMMITTEE
MEETING OF WEDNESDAY, MAY 03, 2023**

SUBJECT Bylaw No. 4546: Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023

ISSUE SUMMARY

Pursuant to the Capital Regional District (CRD) Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023”, this report brings forward the loan authorization Bylaw No. 4546 for the purpose of financing the construction of the Centennial Park Multi-Sport Box.

BACKGROUND

On March 29, 2023, the Board approved Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023”. The plan sets out capital expenditure for each service, including planned borrowings. As is the case each year following plan approval, staff prepare necessary loan authorization bylaws and security issuing bylaws. Borrowing for the Saanich Peninsula Recreation Services for the Centennial Park Multi-Sport Box was identified in the approved financial plan for up to \$2.9 million.

Loan authorization bylaws expire after five years, so bylaws are most commonly drafted to cover the five-year financial plan for services requiring borrowing to fund capital. The loan authorization bylaw will specify the maximum amount, the restricted use and the debt repayment amortization period.

The Saanich Peninsula Recreation Services capital plan (the “Capital Plan”) includes the construction of the Centennial Park Multi-Sport Box that will require borrowing up to \$2.9 million from the Municipal Finance Authority of British Columbia (MFABC). Requests for funds to be drawn against the loan authorization bylaw will only be authorized upon Board approval of a subsequent security issuing bylaw. The security issuing bylaws are prepared twice annually and include only those borrowings for which there is a cash flow need as determined by the approved financial plan.

The following bylaw is proposed:

Service Area	Action	Purpose	Bylaw
Saanich Peninsula Recreation Services	Loan Authorization Bylaw	To create a loan authorization bylaw to permit long-term borrowing related to the capital plan for this service	4546

ALTERNATIVES

Alternative 1

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4546, “Saanich Peninsula Recreation Services (Centennial Park Multi-Sport

Box) Loan Authorization Bylaw No. 1, 2023”, be introduced and read a first, second and third time;

2. That approval on behalf of the participating areas for Bylaw No. 4546 be obtained through the municipal consent process, according to sections 346 of the Local Government Act, and if successful, that Bylaw No. 4546 be referred to the Inspector of Municipalities for approval.

Alternative 2

That the proposed bylaw be referred back to staff for further information.

IMPLICATIONS

Legislative & Financial Implications

Section 24 of the *Municipal Finance Authority Act*, RSBC 1996 c 325 states that a regional district security issuing bylaw may only be enacted and financed if the long-term borrowing is arranged through the Municipal Finance Authority of British Columbia (MFABC). The loan authorization required is up to \$2.9 million and will support the planned five-year capital plan expenditures commencing in January 2023. The estimated debt servicing costs for the borrowing are included in the approved in the 2023-2027 Financial Plan Bylaw. Borrowing for construction of the Centennial Park Multi-Sport Box is planned to allow the efficient execution of the project within the time frame anticipated by the grant funding from the Investing in Canada Infrastructure Program, 2026.

Where MFABC’s indicative interest rate as of March 6, 2023 was 4.57%, the estimated annual debt servicing cost is approximately \$0.282 million with an amortization term of 15 years. The total cost of financing is expected to be \$4.242 million. Debt servicing costs within the plan are funded by requisition. Actual borrowings in each of the next five years will be based on the cash flow requirements for the year.

Long-term borrowing (i.e., loans with a term of more than five years) cannot be undertaken without the loan authorization bylaw being approved and, subsequently and separately, a security issuing bylaw being approved, in accordance with the *Local Government Act*.

As part of the loan authorization bylaw approval process, the bylaw requires elector approval. Elector approval can be obtained through consent on behalf of municipal participants and electoral participating areas (by sub-regional AAP), a referendum, or by a regional alternative approval process (AAP) for the entire service area. Consent on behalf of municipal participants is initiated when the loan authorization bylaw has received third reading by the Board and approval by the Inspector of Municipalities and is the preferred method administratively in this instance.

To ensure optimization of interest and timing of long-term debt, issuance of a temporary borrowing will be proposed if Ministerial approval is obtained and the municipal consent process proves successful. The timing of the debt issuance will be based on the timing of expenditures and will be dependent on prevailing interest rates at the time. Before long-term debt issuance can be exercised, a security issuing bylaw will be brought forward for approval. The term of debt issuance under the loan authorization will be 15 years.

CONCLUSION

The Board-approved Bylaw No. 4537, “2023 to 2027 Financial Plan Bylaw, 2023”, sets out capital expenditure for each service, including planned borrowings. Borrowing for the Saanich Peninsula Recreation Services was identified in the approved financial plan of up to \$2.9 million. Bylaw No. 4546, “Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023”, is presented now in preparation for future borrowing to enable the construction of the Centennial Park Multi-Sport Box included in the Service’s five-year (2023-2027) capital plan.

RECOMMENDATION

The Finance Committee recommends to the Capital Regional District Board:

1. That Bylaw No. 4546, “Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023”, be introduced and read a first, second and third time;
2. That approval on behalf of the participating areas for Bylaw No. 4546 be obtained through the municipal consent process, according to sections 346 of the Local Government Act, and if successful, that Bylaw No. 4546 be referred to the Inspector of Municipalities for approval.

Submitted by:	Rianna Lachance, BCom, CPA, CA, Senior Manager, Financial Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Larisa Hutcheson, P. Eng., General Manager, Parks & Environmental Services
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT

Appendix A: Bylaw No. 4546, “Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023”

CAPITAL REGIONAL DISTRICT

BYLAW NO. 4546

A BYLAW TO AUTHORIZE THE BORROWING OF TWO MILLION NINE HUNDRED THOUSAND DOLLARS (\$2,900,000) FOR THE PURPOSE OF CONSTRUCTION OF THE CENTENNIAL PARK MULTI-SPORT BOX

WHEREAS:

- A. Under Bylaw No. 3008, "Saanich Peninsula Recreation Services Combination Bylaw No. 1, 2002", the Capital Regional District established a service for recreational and related community programs, equipment, and facilities for the municipal participating areas of the District of North Saanich, the Town of Sidney, and the District of Central Saanich;
- B. The Board of the Capital Regional District wishes to construct the Centennial Park Multi-Sport Box as included in the service's capital plan;
- C. The estimated cost of the Project, including expenses incidental thereto to be funded by debt servicing, is the sum of Two Million Nine Hundred Thousand Dollars (\$2,900,000); which is the amount of debt intended to be authorized by this bylaw;
- D. Pursuant to Section 407(3)(c) of the Local Government Act, elector approval is required, and pursuant to Section 346, elector consent is to be obtained on behalf of the municipal participating areas;
- E. The approval of the Inspector of Municipalities is required under Section 342 of the Local Government Act; and
- F. Financing is proposed to be undertaken by the Municipal Finance Authority of British Columbia pursuant to agreements between it and the Capital Regional District;

NOW THEREFORE the Capital Regional District Board in open meeting assembled hereby enacts as follows:

- 1. The Board is hereby empowered and authorized to undertake and carry out or cause to be carried out the planning, study, design and construction of works for the Project in connection with the service and to do all things necessary in connection with the Project and without limiting the generality of the foregoing:
 - a) to borrow upon the credit of the Capital Regional District a sum not exceeding Two Million Nine Hundred Thousand Dollars (\$2,900,000); and
 - b) to acquire all such real property, easements, rights-of-way, leases, licenses, rights or authorities as may be requisite or desirable for or in connection with the Project.

2. The maximum term for which debentures may be issued to secure the debt intended to be created by this bylaw is fifteen (15) years.
3. This Bylaw may be cited as "Saanich Peninsula Recreation Services (Centennial Park Multi-Sport Box) Loan Authorization Bylaw No. 1, 2023".

READ A FIRST TIME THIS	day of	2023
READ A SECOND TIME THIS	day of	2023
READ A THIRD TIME THIS	day of	2023
APPROVED BY MUNICIPAL COUNCIL CONSENT PROCESS PER S.346 and S.347 OF THE <i>LOCAL GOVERNMENT ACT</i> THIS	day of	2023
APPROVED BY THE INSPECTOR OF MUNICIPALITIES THIS	day of	2023
ADOPTED THIS	day of	2023

 CHAIR

 CORPORATE OFFICER

FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS day of