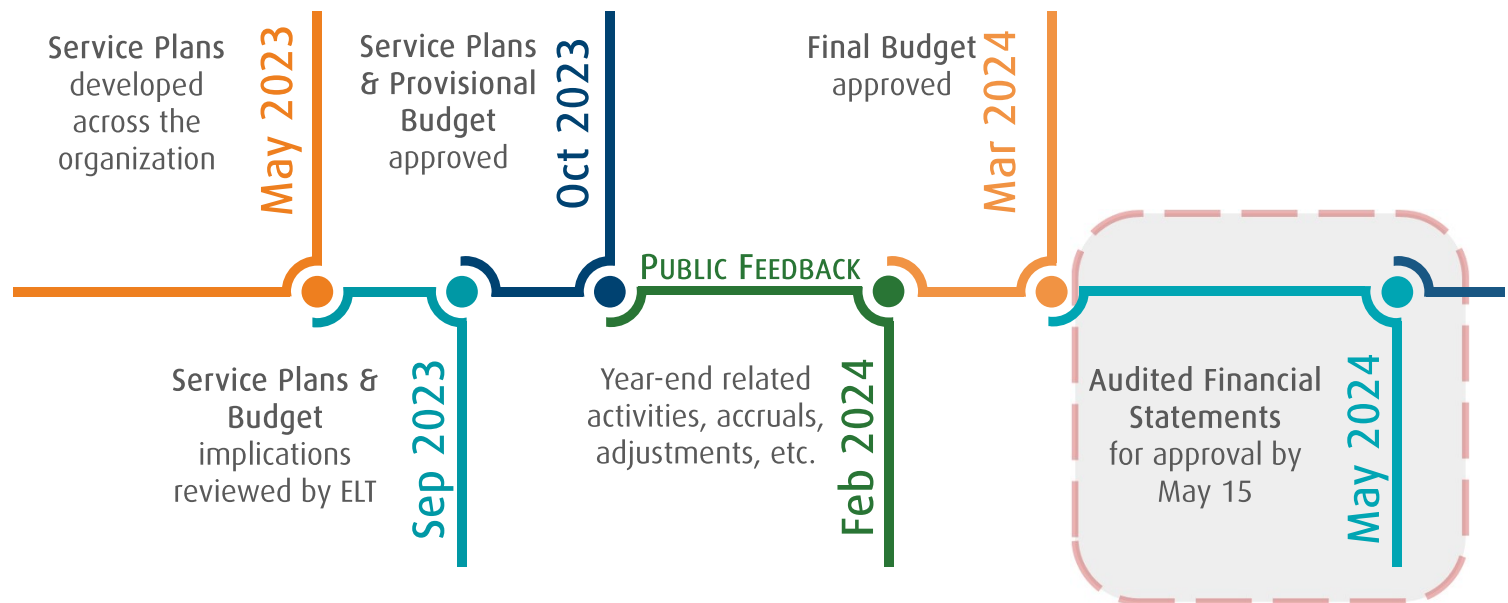


2023 Statement of Financial Information

Capital Regional District
Wednesday May 1, 2024

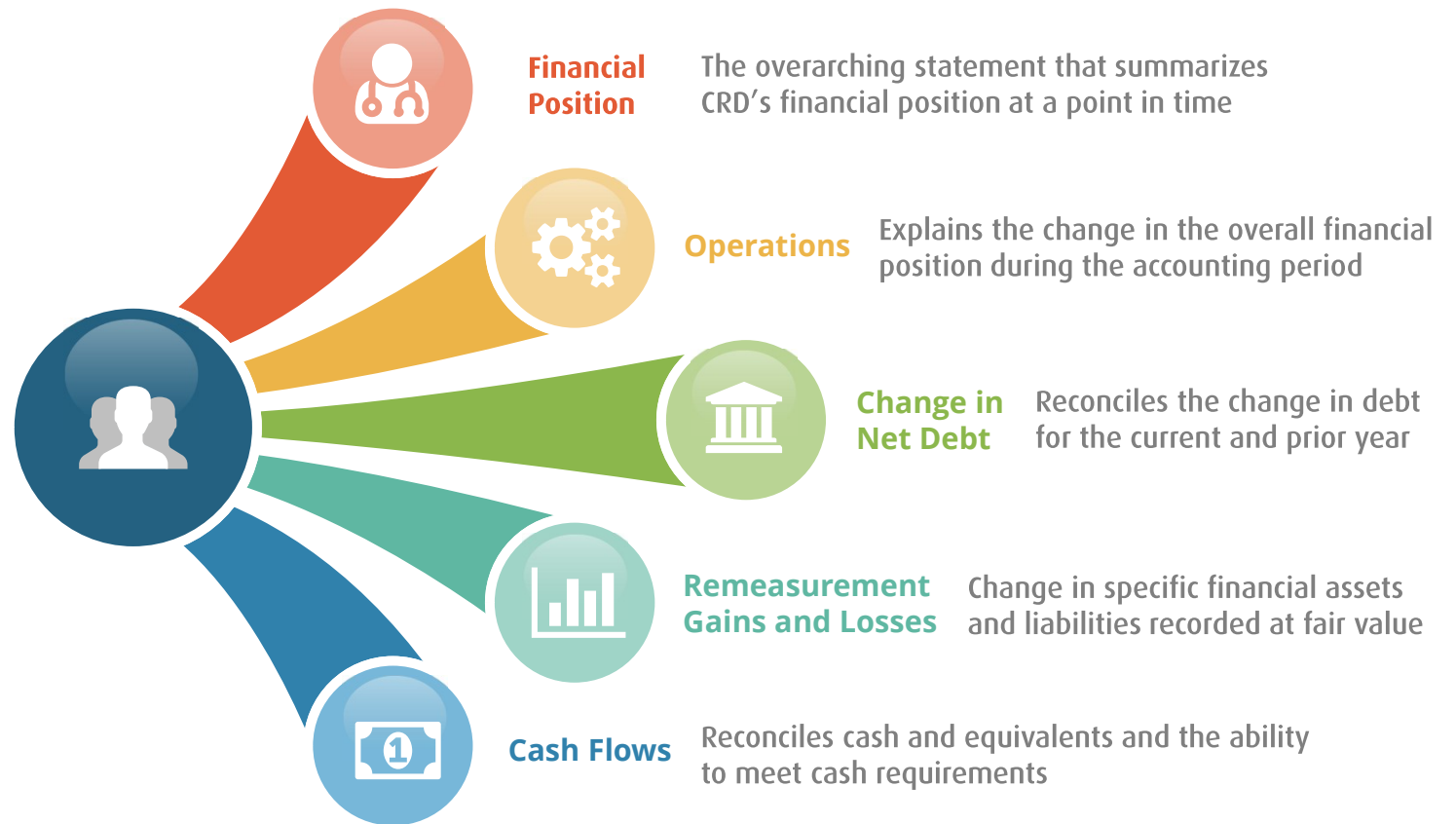
Conclusion of the 2023 Planning & Reporting Process



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 Five Required Financial Statements?



How do the Financial Statements Relate?

Statement of Financial Position	2023	2022
Financial Assets		
Cash & Cash Equivalents	XXX	XXX
Other Assets	XXX	XXX
	<hr/>	<hr/>
	XXX	XXX
Financial Liabilities		
Accounts Payable	XXX	XXX
Other Liabilities	XXX	XXX
	<hr/>	<hr/>
	XXX	XXX
Net Financial Assets (Debt)	XXX	XXX
Non-Financial Assets		
Tangible Capital Assets	XXX	XXX
Other Non-Financial Assets	XXX	XXX
	<hr/>	<hr/>
	XXX	XXX
Accumulated Surplus is comprised of;		
Accumulated Operating Surplus	XXX	XXX
Accumulated Remeasurement Gains/Losses	XXX	XXX

Explaining Changes in Financial Position

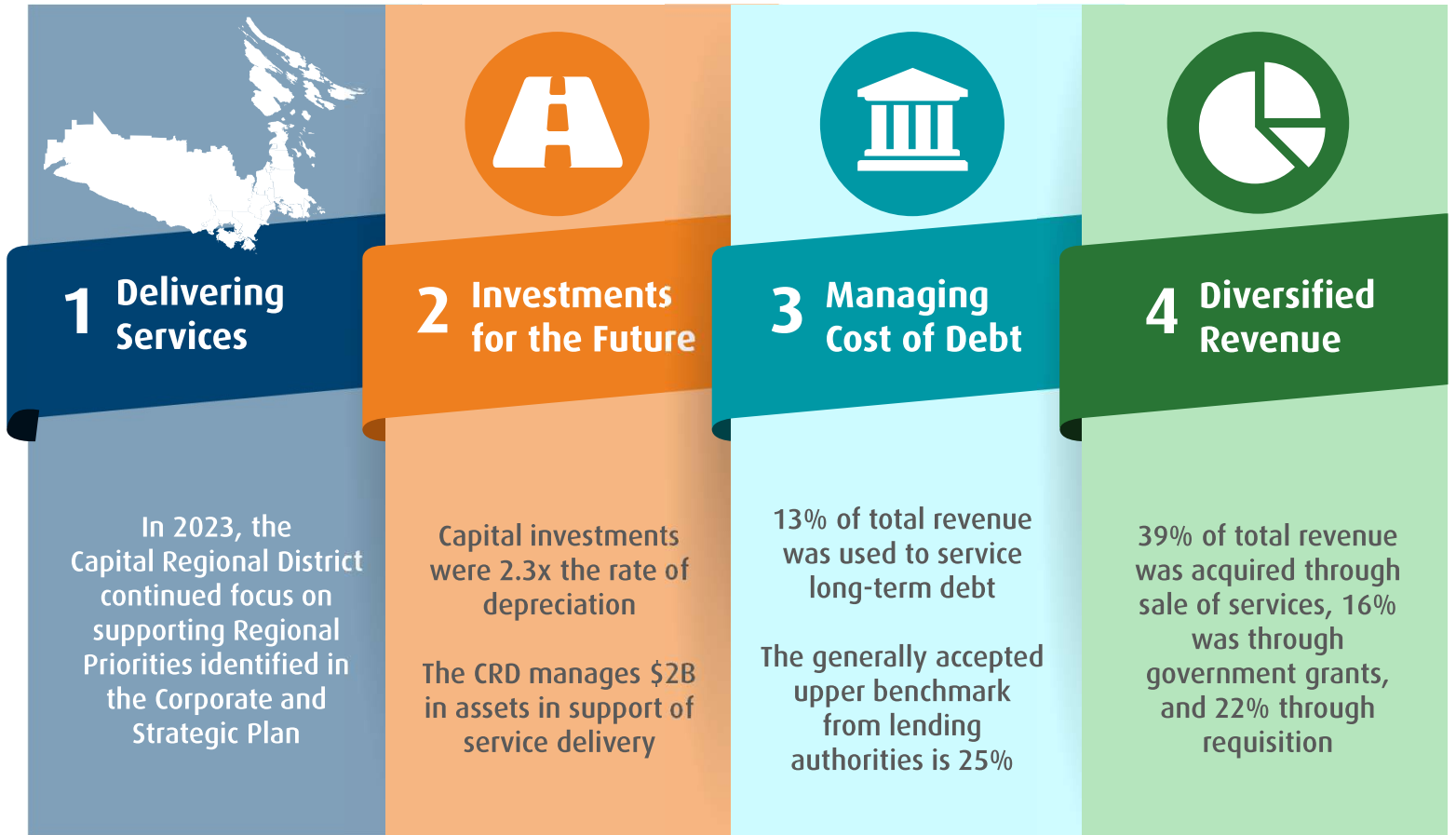
Statement of Cash Flow	2023	2022
Operating Transactions	X	X
Capital Transactions	X	X
Investing Transactions	X	X
Financing Transactions	X	X
	<hr/>	<hr/>
Cash & Equivalents at Beginning of Year	X	X
Cash & Equivalents at End of Year	X	X

Statement of Net Debt	2023	2022
Annual Surplus	X	X
Acquisition of Tangible Capital Assets	X	X
	<hr/>	<hr/>
	X	X
Net Debt at Beginning of Year	X	X
Net Debt at End of Year	X	X

Statement of Operations	2023	2022
Revenue	X	X
Expenses	X	X
	<hr/>	<hr/>
	X	X
Accumulated Surplus Beginning of Year	X	X
Accumulated Surplus End of Year	X	X

Statement of Remeasurement Gains	2023	2022
Accumulated Remeasurement Opening	X	X
Net Remeasurement Gains (Losses)	X	X
Accumulated Remeasurement Close	X	X

Key Takeaways from the Financial Statements



Investments Made for the Future



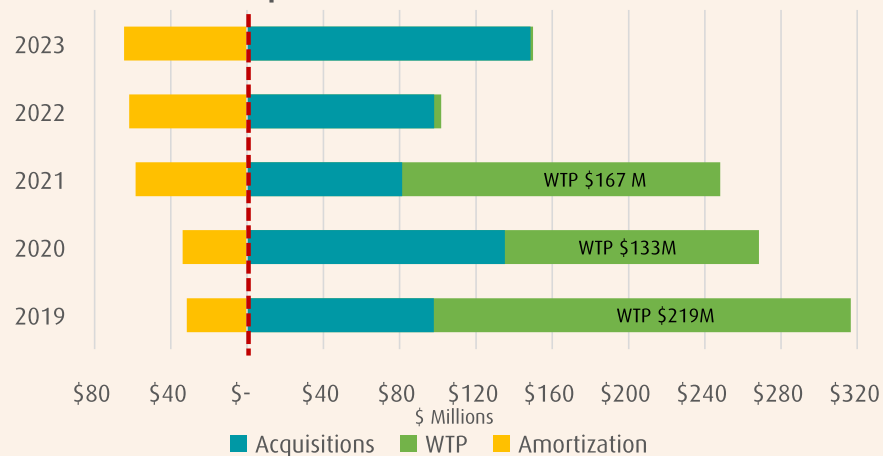
Investments Made for the Future

2023 capital investment was 2.3x the rate of depreciation

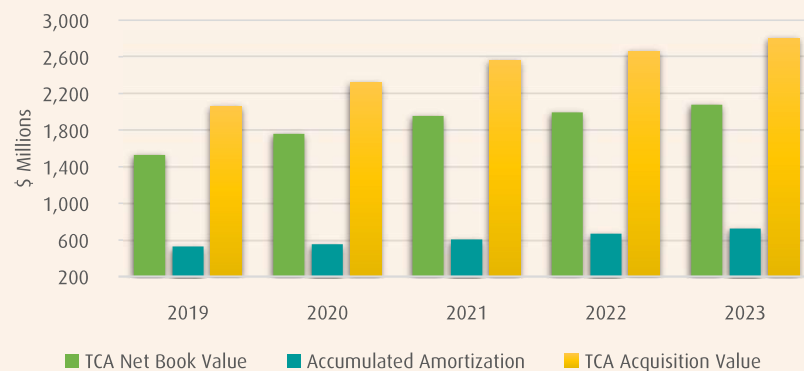
2023 net book value of tangible capital assets is \$2.1 billion

The 2024-2028 5-year financial plan includes TCA additions of \$763 million

Capital Investment vs. Amortization



Tangible Capital Asset



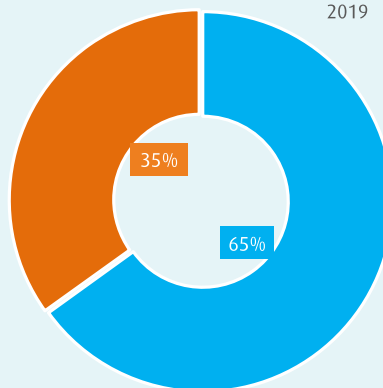
Managing the Cost of Debt



Managing the Cost of Debt

13% of total revenue was spent on long-term debt payments

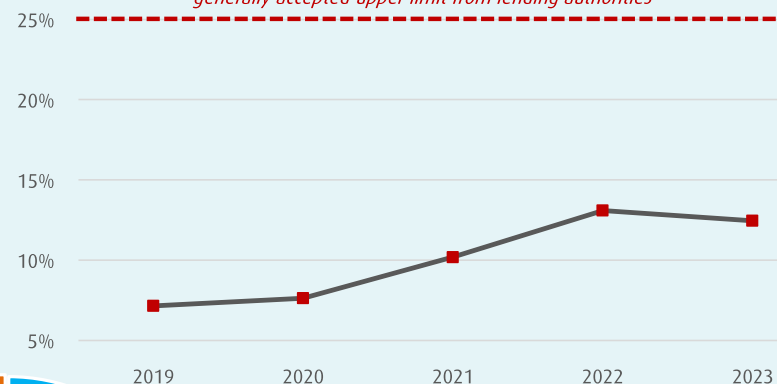
In 2023, CRD debt on average has matured to where principal payments are 65% of debt servicing costs, while interest payments are 35%



■ CRD Principal Costs ■ CRD Interest Costs

Debt Service Costs to Total Revenue

generally accepted upper limit from lending authorities



Debt Servicing Costs

Principal Portion of Payment
Interest Portion of Payment

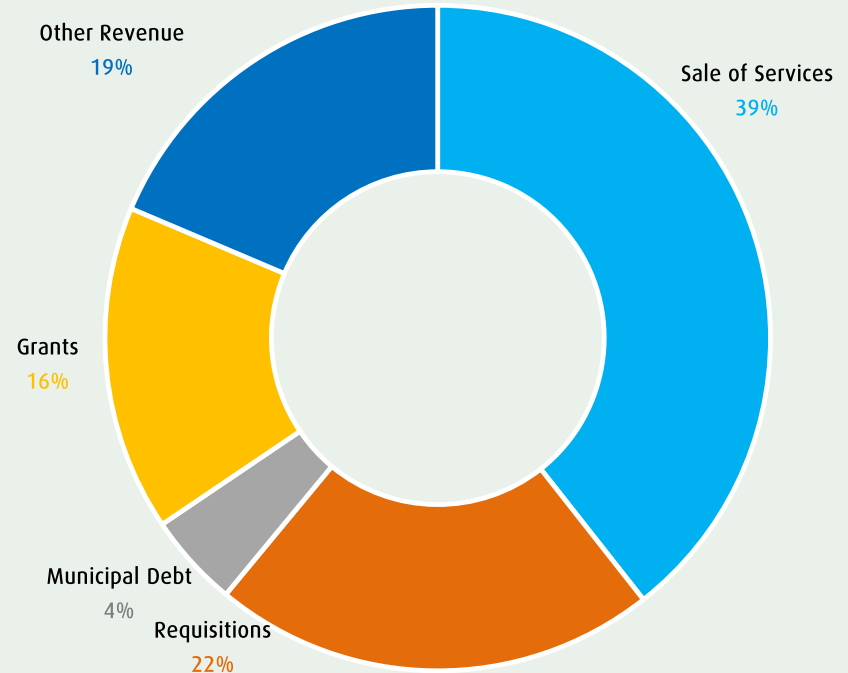
Diversifying Revenue Streams



Diversifying Revenue Streams

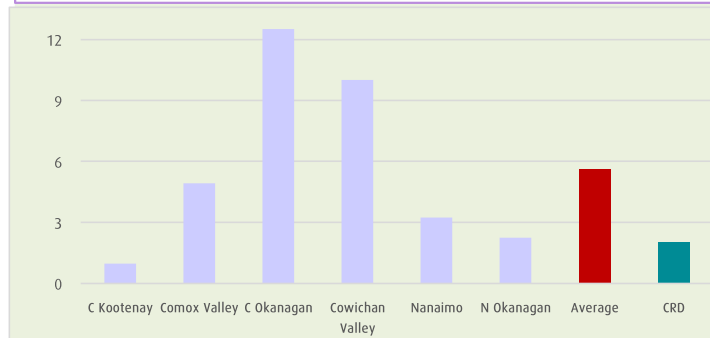
Less than 25% of revenue raised was funded from requisition

39% of revenue was raised through the sale of services and 16% came through various external granting programs

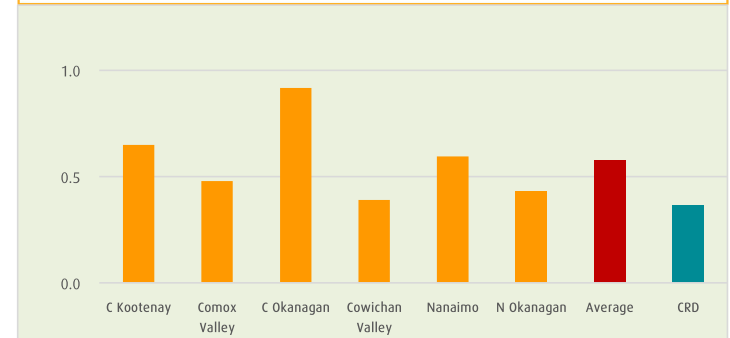


Regional District Benchmarking

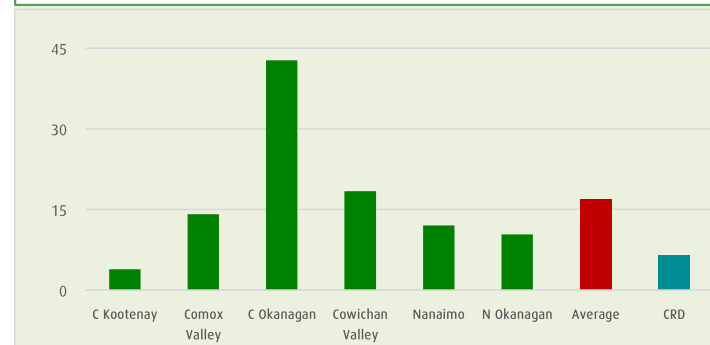
Quick Ratio: Measure of short-term liquidity or the ability to pay immediate financial obligations (greater than 1 is ideal)



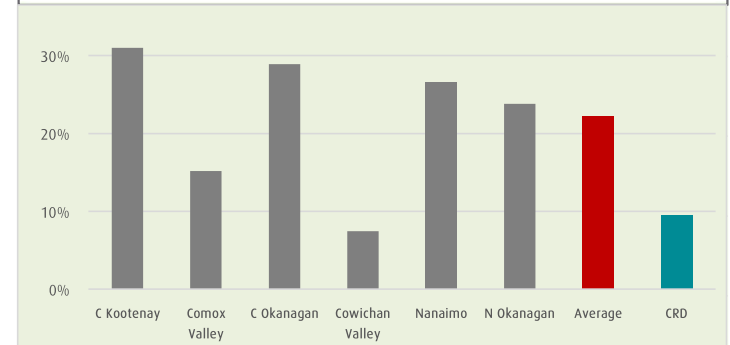
Debt-to-Equity Ratio: Measure of financial leverage, or using debt to increase value (essential public service utilities average 1.2)



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 2023 Audited Financial Statement, Source for Rest: Local Government Statistics 2022, 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 2024. 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.

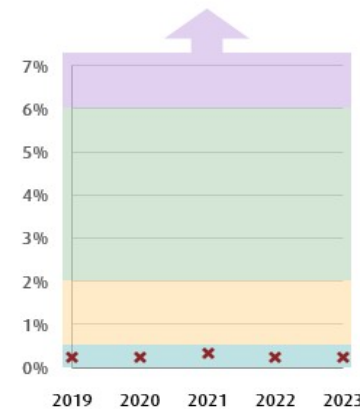
DBRS Credit Rating



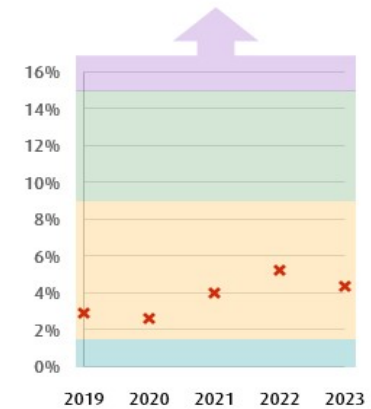
DBRS is the largest rating agency in Canada and fourth largest in the world. Using the rating methodology for municipal government, CRD results are shown below.



Net Tax-Supported Debt Per Capita



Net Tax-Supported Debt as a Percentage of Assessment



Interest Costs as a Percentage of Revenue

AAA	AA	A	BBB
The capacity for the payment of financial obligations is exceptionally high and unlikely to be adversely affected by future events.	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.	The capacity for the payment of financial obligations is substantial. May be vulnerable to future events, but considered manageable.	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 2022



Thank you



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