



Sidney

2023 ANNUAL REPORT



**TOWN OF SIDNEY
BRITISH COLUMBIA**

Year ended December 31, 2023



The Town of Sidney Annual Report for the 2023 year was prepared by Administration and Finance Departments, with contributions from staff throughout the organization.

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COMMUNITY PROFILE

SIDNEY AT A GLANCE

The Town of Sidney is located 26 kilometres north of Victoria, the capital city of British Columbia, and is one of 13 municipalities and three electoral areas that comprise the Capital Regional District (CRD). Sidney is situated on the Saanich Peninsula, which extends north from Victoria. The Town of Sidney's south, west, and north boundaries are shared with the District of North Saanich. To the east, Sidney overlooks Haro Strait, the Southern Gulf Islands, and the Northern San Juan Islands (USA) in the Salish Sea.



Sidney lies within an area that has become one of the world's premier places to live, work, and visit. Endowed with a temperate climate, rich ecology, stunning landscapes, and proud histories, Sidney is a livable, vibrant community, with a strong focus on environmental stewardship, and a prosperous and sustainable economy.

Sidney's geographic area is only 5.02 square kilometres (1.94 square miles), which is a factor in Sidney's high population density (2,290.7 people per square kilometre). Data from Statistics Canada indicates that Sidney's population grew by 5.5% between 2016 and 2021.

Regionally, the Town of Sidney is a key transport hub and offers a variety of transportation options. Sidney is minutes away from the Victoria International Airport and the Swartz Bay Ferry Terminal (BC Ferries), which connect Southern Vancouver Island to the BC Mainland and beyond.

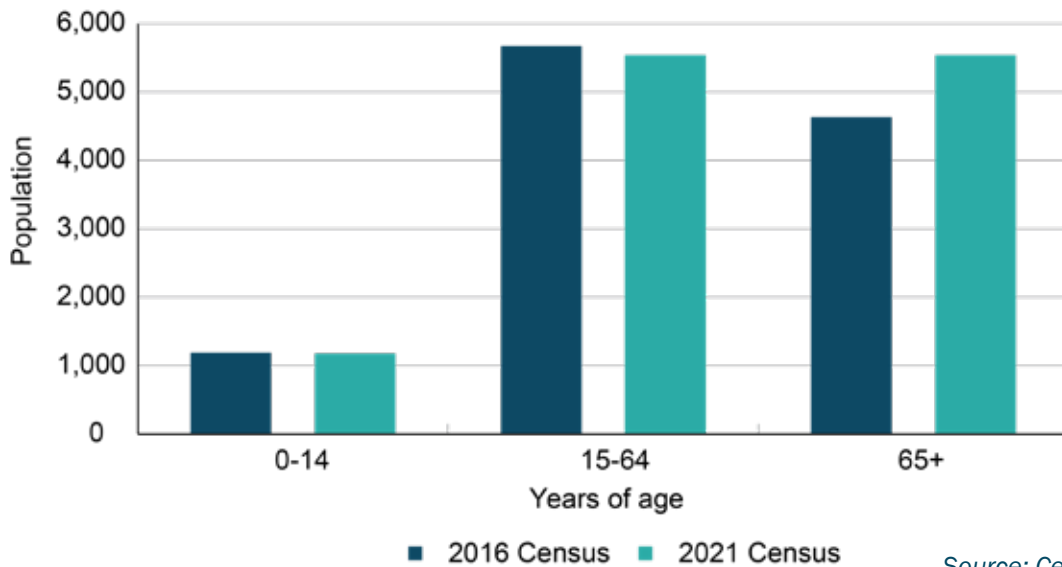
The Town of Sidney's small geographic area provides for a dense mix of businesses, housing, employment, services, and recreation in close proximity to each other. Sidney's employment sector is generally made up of industrial, retail, and healthcare services. The climate is one of the mildest in Canada, with moderate rainfall and only occasional snowfall in the winter.

DEMOGRAPHIC INFORMATION



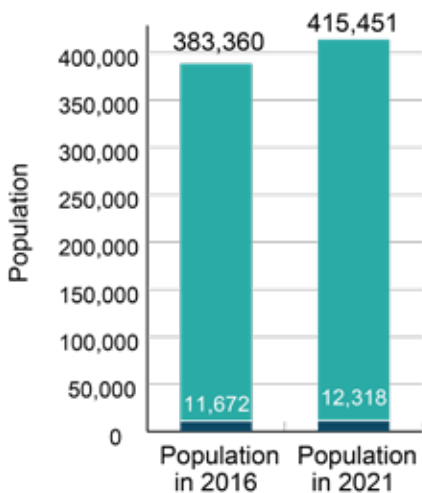
Source: Census 2021

Sidney's age distribution

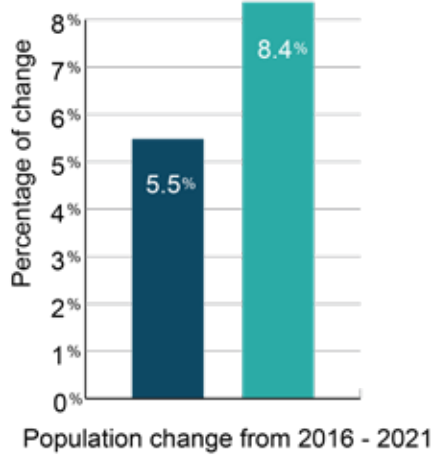


Source: Census 2021

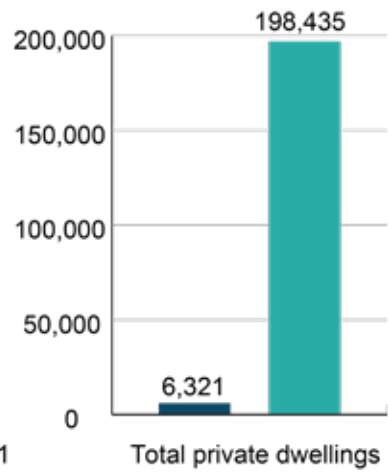
Population in 2016 and 2021



% change in population



Total private dwellings



■ Sidney ■ Capital Regional District

■ Sidney ■ Capital Regional District

■ Sidney ■ Capital Regional District

Source: Census 2021



COUNCIL PORTFOLIO

Mayor Cliff McNeil-Smith

Capital Regional District Board (CRD)
 Capital Regional Hospital District Board
 (Acting Chair)
 Capital Region Housing Corporation
 Board
 CRD Peninsula Recreation Commission
 CRD Saanich Peninsula Water &
 Wastewater Commissions
 CRD Hospitals and Housing Committee
 CRD Planning & Protective Services
 CRD Regional Parks Committee (Chair)
 CRD Transportation Committee
 Greater Victoria Coalition to End
 Homelessness
 Greater Victoria Labour Relations
 Association
 Integrated Police Unit Regional
 Governance Council
 Te'mexw Treaty Advisory Committee

MESSAGE FROM THE MAYOR

On behalf of Sidney Council and the Town of Sidney, I am pleased to present our 2023 Annual Report.

A Municipal Annual Report is a requirement under the Provincial Community Charter. Our report provides the community with a comprehensive review of Council and Town staff accomplishments in 2023, along with many of the initiatives planned for 2024.

An in-depth list of Town accomplishments in 2023 can be found primarily in the departmental updates. On a broader level, this report also includes a progress update on the 2022-2026 Strategic Plan. The Strategic Plan is updated by Council each year, capturing key priorities for the municipality. The progress update within the Annual Report explores how the Town met goals and priorities outlined in the Strategic Plan over this past year and how staff plan to continue to advance these priorities in the year or two ahead.

Our Strategic Plan Mission Statement continues to show the breadth of our responsibilities to the community:

"The Town of Sidney provides good governance, services, and stewardship of public assets, and fosters the social, economic and environmental well-being of our community for current and future generations."

Good governance includes engagement, transparency, and accountability. It involves setting priorities for the community that are achievable with limited staff and financial resources.

I want to thank Council for rising to this challenge through a commitment to meeting preparation, listening to community views, and deliberating respectfully on the wide-ranging business that comes before Council.

I also want to acknowledge the dedication and commitment of our Town employees, volunteer firefighters, and RCMP members in providing high quality services to residents, businesses, and community organizations.

We have tremendous community spirit in Sidney. Council is pleased to provide financial support to community organizations, including the Mary Winspear Centre, SHOAL Centre for Seniors, Sidney Museum and Archives, ArtSea Community Arts Council, Shaw Centre for the Salish Sea, and several others. We extend our thanks to the hundreds of volunteers with these organizations, whose activities enhance our quality of life.

I hope you enjoy learning about the broad range of Town accomplishments from 2023 and key initiatives for 2024.

Mayor Cliff McNeil-Smith
 June 1, 2024

SIDNEY COUNCIL 2022-2026



*(Left to right, back row) Councillor Scott Garnett, Councillor Richard Novek, Councillor Steve Duck, Councillor Chad Rintoul
(Left to right, front row) Councillor Sara Duncan, Mayor Cliff McNeil-Smith, Councillor Terri O’Keeffe*

COUNCIL PORTFOLIOS

Councillor Steve Duck

CRD Climate Action Inter-Municipal Task Force
 South Island Prosperity Partnership - Partner’s Committee
 Sidney & North Saanich Ball Facility Liaison Committee
 Peninsula Streams Society

Councillor Scott Garnett

CRD Peninsula Recreation Commission
 Sidney/North Saanich Ball Facility Liaison Committee
 Sidney Museum & Archives Society
 New Marine Centre Society (Shaw Centre for the Salish Sea)

Councillor Terri O’Keeffe

Saanich Peninsula Accessibility Advisory Committee
 CRD - Victoria Family Court & Youth Justice Committee
 Victoria Airport Authority - Airport Consultative Committee
 ArtSea Community Arts Council

Councillor Chad Rintoul

Advisory Planning Commission
 Capital Region Emergency Services Telecommunications (CREST)
 Municipal Insurance Association of BC
 Memorial Park Society

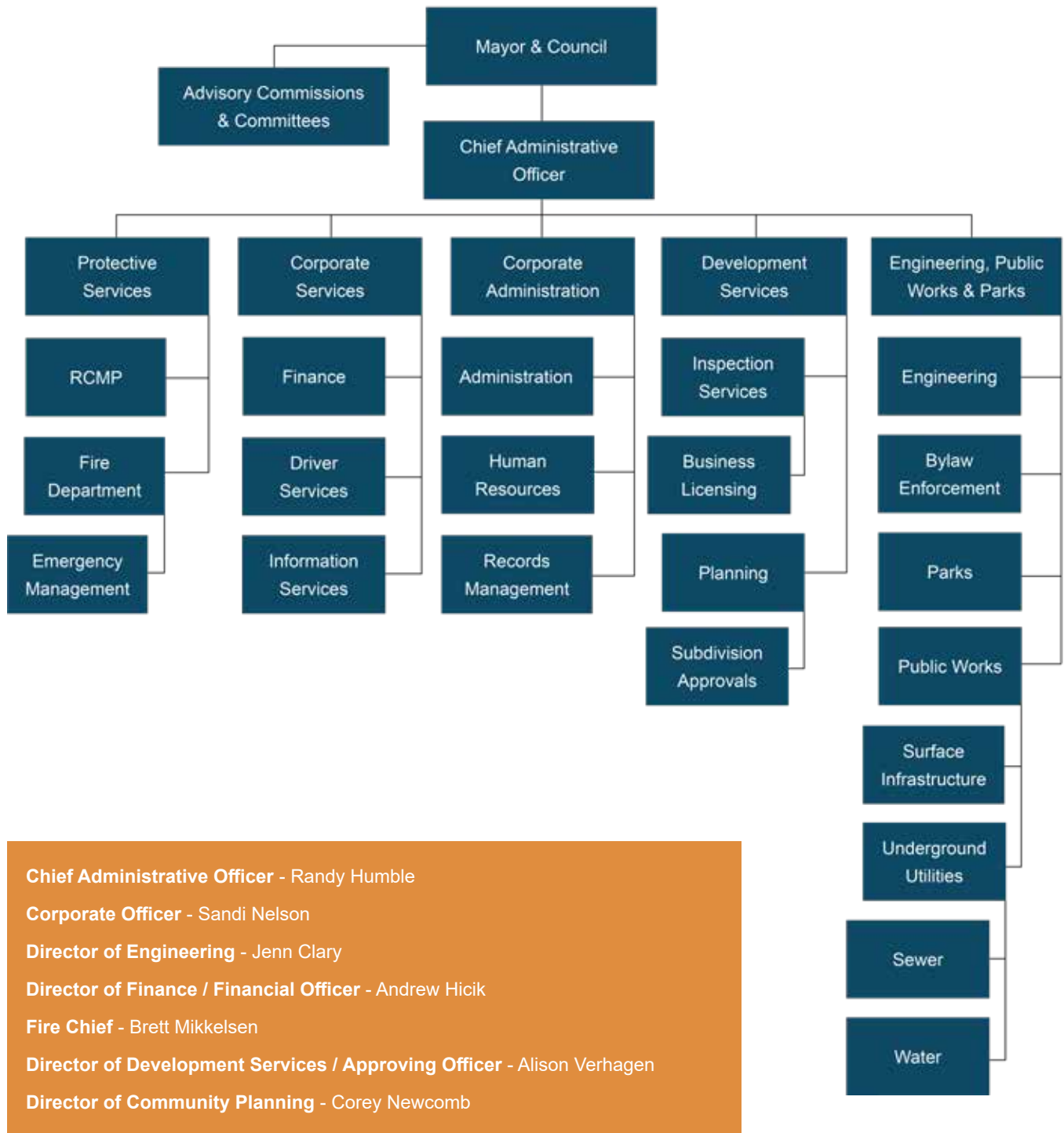
Councillor Richard Novek

Emergency Planning Committee
 CRD Regional Housing Trust Fund Commission
 Vancouver Island Regional Library
 Saanich Peninsula Chamber of Commerce
 Saanich Peninsula Literacy Task Group

Councillor Sara Duncan

CRD Regional Water Supply Commission
 CRD Saanich Peninsula Water Commission
 CRD Saanich Peninsula Wastewater Commission
 Victoria Airport Authority - Noise Management Committee
 Sidney Business Improvement Area (SBIA)

ORGANIZATIONAL CHART & APPOINTED OFFICERS





MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

It is a pleasure to present the Town of Sidney's 2023 Annual Report and reflect on all that has been accomplished this past year. This report captures the work undertaken by the Town in 2023 and also provides a progress update on the implementation of Council's 2022-2026 Strategic Plan and initiatives planned for 2024.

This is my last year delivering an Annual Report for the Town of Sidney as I retire in June 2024 following 25 meaningful years with the municipality. It has been an honour to serve the community and work alongside excellent staff and dedicated elected officials.

Despite many new accomplishments and initiatives, this Annual Report has one clear resemblance to the many other Annual Reports I have been involved in since stepping into the role of Chief Administrative Officer 12 years ago: once again, a small group of skilled staff have successfully spearheaded a number of ambitious projects, such

as major improvements to Galaran Road and the design of a new playground with accessible features at Philip Brethour Park, while delivering reliable services to residents and businesses. Just glancing at one of the countless flower displays maintained by Town gardeners throughout Sidney serves as an indication of how invested staff are in the distinct roles each play in serving the community.

I am grateful to staff for all the services they provide, and the transparent and careful way they manage municipal resources.

I would also like to extend my thanks to the passionate citizens, business leaders, volunteers, and community organizations that make Sidney such a vibrant community. While supporting the community through municipal operations, I have always admired how residents and local workers in Sidney support one another as well through kindness and a shared sense of community pride.

Randy Humble
Chief Administrative Officer
June 1, 2024



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

As Chief Financial Officer for the Town, I am pleased to present the Town of Sidney's audited financial statements for the year ending December 31, 2023. The financial statements are the responsibility of the Town's management. The statements have been prepared in compliance with Section 167 of the Community Charter, and in accordance with generally accepted accounting principles approved by the Public Sector Accounting Board (PSAB). The financial statements have been audited by KPMG LLP, who have expressed their opinion that the statements present fairly, in all material aspects, the financial position of the Town as at December 31, 2023.

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

The Municipal Council meets with management and the external auditors to review the financial statements and discuss any significant reporting or internal control matters prior to their acceptance of the financial statements. Significant accounting policies are discussed in Note 1 of the attached financial statements.

Executive Summary of Financial Results

As outlined in the 2023 Financial Statements, the Town's financial results remained positive. Net Financial Assets increased compared to 2022, and the Town's total Accumulated Surplus balance continues to grow. This means the Town improved its ability (economic resources) to provide future services, and maintained a continued dedication to sound financial management. Operating results were mixed for the year, with operating deficits in General and Sewer Operating, and a small surplus in Water Operating. While General Operating came in at a lower deficit than budgeted, it is generally expected that in a typical year, we will break even, or generate a small surplus. It is unusual to see a deficit, but it does occur from time to time; we have an accumulated surplus from prior years to compensate.

The Town continues to have reasonable levels of debt and reserves, and remains committed to renewing its infrastructure. It is important to note that any debt held by the Town is for the purposes of capital construction, and bears no relation to the type of debt associated with senior governments. The Town must maintain a surplus from operations, and must operate with a balanced budget.

While Sidney continues to be well managed financially, improvements are always possible; staff and Council are constantly looking to enhance our financial and asset management planning processes to safeguard the Town's long-term financial sustainability. Facing new challenges each year, including inflationary pressures over the past two years, the Town is evolving to find innovative ways of providing the highest possible level of service, while controlling expenditures. I would like to acknowledge Town Council, senior management, and staff in all departments for their commitment to innovation, continuous improvement, and service to the community.

Andrew Hicik
Director of Finance
June 1, 2024



NO
CYCLING
SKATE
BOARDING
ROLLER
BLADING

FRICK-UP
AND TIE
YOUR
POPS!

PLEASE
ENTER WITH
YOUR
COLLECTOR

Dog
Area





ANNUAL HIGHLIGHTS



STRATEGIC PLAN & PROGRESS REPORT

Annual Planning Framework

Sidney's annual planning framework is comprised of three separate but complementary processes:

- Strategic planning - traditionally occurs in September/October, with a January session following the election of a new Council.
- Business planning/establishing Departmental Work Plans - occurs October - December.
- Financial planning - occurs throughout the year, culminating in January/February with budget deliberations.

These processes result in a set of integrated plans that support the overall vision and mission of the Town, and align activities and resources to achieve the strategic goals and annual business priorities set by Council.

The Strategic Plan is a high-level statement of the Town's aspirations for the future, and is updated every year by Council. It articulates the Town's vision, mission, values, and broad strategic priorities and goals.

The Business Plan translates the strategic goals into departmental work plan priorities. The priorities and associated objectives and measures are established annually by staff.

Lastly, the Financial Plan provides the resourcing strategy to support the strategic and business plans. Updated annually, it is a five-year plan that includes both operating and capital components.

Each year's Annual Report reflects upon the previous year, outlining goals accomplished based on strategic direction set out in the annual planning framework.

2022-2026 Strategic Plan & Progress Report

Strategic planning is an important step for the Town of Sidney to set priorities, allocate limited financial and staff resources, guide the work of staff and decisions of Council, and communicate to citizens.

The 2022-2026 Strategic Plan is updated on an annual basis. Council revised the plan in 2023. The Strategic Plan identifies seven overarching goals for the Town of Sidney:



Complete
Community



Environmental
Stewardship



Economic
Vibrancy



Community
Engagement



Organizational
Excellence



Community
Infrastructure



Community Safety,
Health & Well-Being

Pages 13-18 review the progress we made in 2023 and the ways in which we will continue to work towards accomplishing these goals.



COMPLETE COMMUNITY

The Town will strive to be a complete community with a mix of amenities and a quality living environment.

REVIEW AND ADOPTION OF ZONING BYLAW

2023 Progress:

- Began drafting updated Zoning Bylaw.
- Reviewed new Provincial housing policies released in fall and winter 2023, some of which have significant implications for many residential properties. Began the process of including these changes in an updated Zoning Bylaw.

Planned Priorities & Actions:

- 2024: Complete draft Zoning Bylaw and undertake community engagement.
- 2024: Finalize Zoning Bylaw by June 30th deadline set by Province.

VEHICLE PARKING

2023 Progress:

- Completed Downtown Parking Study and identified priority items for implementation.

Planned Priorities & Actions:

- 2024: Begin implementing priority items in Downtown Parking Study, including standardizing signage and parking times.

IMPLEMENT HOUSING POLICIES AND INITIATIVES FROM THE OFFICIAL COMMUNITY PLAN

2023 Progress:

- Worked with developers on two multi-family residential proposals to potentially create much-needed rental housing in Sidney.
- Completed an application for the federal Housing Accelerator Fund for \$4.5 million (application was denied in early 2024).

Planned Priorities & Actions:

- 2024: Undertake an updated Housing Needs Assessment to align with new Provincial housing legislation and inform next Official Community Plan update.
- 2024: Begin update of Official Community Plan to align with the new Provincial housing legislation.



The Town of Sidney undertook a Downtown Parking Study in 2023.



ENVIRONMENTAL STEWARDSHIP

The Town will be stewards of our environment.

ENVIRONMENTAL PROTECTION

2023 Progress:

- Worked with Transport Canada to assess potential contaminants downstream of Reay Creek Pond. (Results of contaminant testing did not find contaminants of concern for human health or terrestrial ecological health.)
- Note: Mermaid Creek restoration work delayed due to cancellation of project led by Peninsula Streams.

CLIMATE ACTION MITIGATION INITIATIVES

2023 Progress:

- Applied for and received Community Active Transportation Engagement Grant.
- Partnered with Capital Bike on various active transportation initiatives, including bike valet service at Sidney Street Market.
- Additional funding allocated to CleanBC Home Retrofit Top-Ups for Sidney residents.
- Advocated for climate action initiatives at higher levels of government.

Planned Priorities & Actions:

- 2024: Complete programming funded by Community Active Transportation Grant (including bike repair toolkit library and bike skills courses).
- 2024: Partner with BC Hydro and Capital Regional District to install new EV chargers at the Mary Winspear Centre.
- 2024: Begin partnership with Capital Regional District to install community EV chargers through Investing in Canadian Infrastructure Program (ICIP) grant.
- 2024: Partner with Capital Bike to host Spring and Fall Go By Bike Week Celebration Stations.

UNDERTAKE PLANNING FOR ADAPTATION TO SEA LEVEL RISE

2023 Progress:

- Awarded \$297,000 grant for Sea Level Rise adaptation project through the Disaster Risk Reduction grant program.
- Launched two data collection buoys to inform sea level rise modelling and future decision-making.

Planned Priorities & Actions:

- 2024: Begin modelling and mapping components of Sea Level Rise project.
- Launch public education programming, including Community Flood Risk Awareness presentations in spring and fall.



In 2023, volunteers joined Town staff in planting trees at Peter Grant Park for Tree Appreciation Day.



ECONOMIC VIBRANCY

The Town will continue to adapt and prosper as a diverse commercial centre for business and employment.

FOSTER RELATIONSHIPS WITH THE BUSINESS COMMUNITY INCLUDING THE SIDNEY BUSINESS IMPROVEMENT AREA (BIA) SOCIETY, SAANICH PENINSULA CHAMBER OF COMMERCE, AND SOUTH ISLAND PROSPERITY PARTNERSHIP (SIPP)

2023 Progress:

- The Town took part in numerous meetings with BIA and SIPP to discuss items of mutual interest, deal with business concerns, address policy issues and concerns, and discuss future initiatives, such as Sidney Street Market signage and housing needs.
- The Town's Economic Development lead represented the Town of Sidney on an economic development panel at South Island Prosperity Partnership's Local Leadership Day.



The Sidney Street Market returned to Beacon Avenue in 2023.

REVIEW AND INITIATE IMPLEMENTATION OF ECONOMIC DEVELOPMENT PLAN

2023 Progress:

- Economic Development Plan was finalized and approved.
- Internal reorganization created economic development lead within Town of Sidney staff to support implementation of Economic Development Plan, with a focus on identifying opportunities to establish workforce housing.
- Facilitated the return of the Sidney Street Market to Beacon Avenue.

FUTURE PRIORITIES & ACTIONS FOR ECONOMIC VIBRANCY

- 2024: Begin implementing key priorities in Economic Development Plan in collaboration with Sidney Business Improvement Area Society and other local economic development organizations.
- 2024: Ensure updated Zoning Bylaw reflects priorities in the Official Community Plan and Economic Development Plan to support the increase of workforce housing in Sidney.



COMMUNITY ENGAGEMENT

The Town will strive to engage the public in its decision-making processes.

CONSIDER OPPORTUNITIES TO MAKE MEANINGFUL CONTRIBUTIONS TO WSÁNEĆ PROJECTS

2023 Progress:

- The Town developed a \$10,000 annual fund to support initiatives undertaken by WSÁNEĆ First Nations.

Planned Priorities & Actions:

- 2024: Reach out to WSÁNEĆ Leadership Council and WSÁNEĆ community groups to raise awareness of funding opportunities, and support funding request process.

FUTURE PRIORITIES & ACTIONS FOR COMMUNITY ENGAGEMENT

- 2025: Undertake Citizen Satisfaction Survey.



ORGANIZATIONAL EXCELLENCE

The Town of Sidney will remain a leading organization in the provision of governance and quality services.

2023 Progress:

- Initiated 12-18 month review and update of Development Cost Charges Bylaw.
- Launched redesigned Town of Sidney website that is more engaging and accessible, and is easier to navigate.

EXPLORE ALTERNATIVE FORMATS OF COMMUNICATION FOR PERSONS WITH DISABILITIES

2023 Progress:

- Completed Town of Sidney's first Accessibility Plan, including communications section.
- Improved accessibility of Town Talk newsletter, Town advertisements, and corporate logo.

Planned Priorities & Actions:

- 2024: Staff to undertake accessibility training, including training with a focus on inclusive communications.

FUTURE PRIORITIES & ACTIONS FOR ORGANIZATIONAL EXCELLENCE

- 2024: Continue review and update of Development Cost Charge bylaw.
- 2025: Establish a Key Community Plan Status Policy and complete the first set of annual updates for all key community plans including the Parks Master Plan, Urban Forest Strategy, Housing Needs Assessment, Climate Action Plan, Economic Development Plan, Active Transportation Plan and Accessibility Plan.
- 2025: Establish a Council Remuneration Policy and complete the first Review of Council Remuneration.
- 2025: Establish a Council Procedure Bylaw Review policy and complete the first review of Council Procedures.



COMMUNITY INFRASTRUCTURE

The Town will be a leader in the management of its assets.

2023 Progress:

- Completed an Active Transportation Plan and began working toward priority improvements, including Bowerbank Road Bike Boulevard.
- Initiated Civic Sites Analysis on upgrades or replacement of certain Town facilities (Town Hall, RCMP Detachment, Driver Services/Courthouse).
- Completed Fourth Street Public Washrooms.
- Completed design and tendering for new waterfront washroom.
- Continued infrastructure planning for West Side Local Area Plan, completing utility modelling and beginning design work.

FUTURE PRIORITIES & ACTIONS FOR COMMUNITY INFRASTRUCTURE

- 2024: Build new public washrooms along downtown waterfront.
- 2024: Advance options for increased pedestrian connectivity across Highway 17, as indicated in the Active Transportation Plan.
- 2025: Review options for the provision of Library Services.



The Town replaced the public washrooms on Fourth Street near Beacon Avenue and built a new accessible ramp.



COMMUNITY SAFETY, HEALTH & WELL-BEING

The Town will work with its emergency and health services to promote community safety and well-being, while capitalizing on our community assets to foster an environment that promotes a healthy and active lifestyle for all.

EMERGENCY PREPAREDNESS MANAGEMENT

2023 Progress:

- Facilitated Emergency Operations Centre training for both internal and external participants with the help of UBCM grant funding.
- Worked with consultant on recommendations and developed budget request for establishment of a post-disaster potable water distribution system (funding secured in 2024 Budget).

FUTURE PRIORITIES & ACTIONS FOR COMMUNITY SAFETY, HEALTH & WELL-BEING

- 2024/2025: Acquire and install post-disaster potable water distribution.
- 2024: Facilitate a Town of Sidney-specific emergency response exercise involving evacuation of a senior care facility.



Sidney Fire Department will continue to undertake emergency response exercises in 2024 to ensure preparedness.

DEPARTMENT UPDATES



ADMINISTRATION

The Administration Department, under the leadership of the Chief Administrative Officer, oversees all municipal operations. The Department is responsible for corporate administration under the *Community Charter* and the *Local Government Act*. The department provides legislative and administrative support to Mayor and Council, coordinates public communications, and manages human resources for the organization.

Key Functions

- Organizing all meetings of Council, including preparation of agendas and minutes.
- Administering the review and update of the Town's Annual Strategic Planning process.
- Providing support services to Council appointed Committees / Commissions / Boards.
- Processing and coordinating all business relating to Town Council.
- Providing advice with respect to Council procedures, policies and functions.
- Coordinating internal and external communications (i.e. Town's website, intranet, social media, print publications and media releases).
- Safekeeping of minutes of Council and committees, bylaws, and other official documents on behalf of the Town.
- Administering oaths and taking affirmations, affidavits and declarations required to be taken under the *Community Charter* or any other Act relating to municipalities.
- Administering the corporate records management program.
- Processing requests for access to information under the *Freedom of Information & Protection of Privacy Act* (FOIPPA).
- Administering leases/agreements for Town operations and facilities.
- Coordinating human resources services for the organization.
- Organizing Town hosted events and liaising with other event organizers.
- Conducting local government and school trustee elections.

2023 Highlights

- Completed development of the Town's first Accessibility Plan.
- Completed re-design of the Town's website.
- Completed re-design of official logo for the Town.
- Established Council Code of Conduct Bylaw.
- Acquired new parkland on Third Street.
- Continue with civic site analysis for Town facilities (Town Hall, Driver Services/Courthouse, etc.).

Administration at a Glance - 2023



2024 Initiatives

- Continue to review options for Sidney Ferry Terminal and lease with Washington State Ferries.
- Continue with civic site analysis for Town precinct (Town Hall, Driver Services/Courthouse, etc.).
- Recruitment of new Chief Administrative Officer.
- Continue implementation of an electronic documents records management system.



In 2023, the Town of Sidney purchased land on Third Street to become a new community park near downtown Sidney and Rothesay Beach.



CORPORATE SERVICES

As a service department, Corporate Services' main focus is on assisting the public, and helping other departments accomplish their goals and tasks. Whether our interaction with the public is through telephone, at the front counter, or through the information on our website, we strive to provide excellent, timely and friendly customer service. Corporate Services includes the following functional areas:

- Finance
- Driver Services
- Information Technology
- Risk Management (jointly with Engineering & Works)

Finance

From a corporate perspective, the department strategy is to support the administrative and financial needs of the Municipality, thereby enhancing the quality of service to the public. Our objective is to provide timely and accurate financial information to facilitate the decision-making needs of Council, senior management, and external stakeholders, and to provide analysis and business advice to the various municipal departments. Responsibility and authority for financial operations is derived from legislation mandated by the British Columbia Community Charter, Local Government Act, Provincial and Federal Statutes, and Municipal bylaws.

Driver Services

The Driver Services section of Corporate Services provides local services for residents of the Peninsula and beyond. As appointed agents, staff at the 9884 Third Street office provide a wide variety of driver licencing and ICBC Autoplan insurance services, products and information. The department also issues the joint Driver's Licence/BC Services Card.

Information Services

Information Services provides technical leadership, solutions, service and support for all the Town's integrated hardware, software, GIS, wireless and VoIP telephone systems at various Town facilities, including the Town Hall, Driver Services office, Community Safety Building, and the Public Works Yard.

Risk Management

Risk Management ensures that the financial stability of the Town is protected against the effects of accidental loss, by developing and maintaining information related to losses, claims, insurance premiums and other risk-related costs. Accordingly, Corporate Services works closely with operational departments to ensure the Town's risks are minimized.

2023 Highlights

While most of the work of the Corporate Services Division involves routine processing and annual, ongoing tasks, we still find time each year to fit in some special projects. Some of our non-routine accomplishments over the past year included:

- Completed an agreement with the Victoria Airport Authority and District of North Saanich to build road improvements in West Sidney, and arranged for project funding, including successful application for the Town's largest ever grant.
- Implemented the Town's property tax distribution policy to narrow the gap between tax rates paid by commercial and residential properties.
- Assisted with the completion of the renewal and upgrade of the Town's website.
- Launched external-facing Community Map for developer and public use.

- Adopted new financial reporting standards, as prescribed by the Public Sector Accounting Board.
- Reviewed the Town's tax exemption policies prior to renewals in 2024.
- Completed funding agreements with the Town's major annual funding recipients.
- Initiated the purchase of land for a new community park.

- 2023 municipal taxes per average residence: \$141/month (2022: \$135/month)
- Total municipal taxes collected in 2023: \$13.83 million (2022: \$12.85 million)
- Total municipal expenditures in 2023: \$25.96 million (2022: \$24.73 million)

Over the next two years, we will be focusing on the following objectives:

- Continue the enhancement of asset and work management software, adding more functionality each year.
- Continue collaboration with Engineering & Works on enhanced Asset Management practices.
- Work with Engineering and Development Services to review and update the Town's Development Cost Charges.
- Review the Town's Surplus Policy to ensure that sufficient funds are maintained at all times.
- Continue planning and analysis for an expansion of sub-regional recreation services.
- Assist with the development of the Town's first Sponsorship Policy.
- Renew several Crown licences to maintain waterfront services and access.
- Review funding levels and capacity for long term infrastructure replacement.
- Continually review the Town's financial policies and practices for maximum efficiency.
- Complete the review of the Town's Utility Fees structure by focusing on the Sewer Utility.
- Work with Washington State Ferries toward the earliest potential reinstatement of cross-border ferry services, and a response to pending changes to border pre-clearance regulations.
- Assist with an evaluation of the lifecycle of major Town facilities.
- Undertake renewal of the Town's tax exemptions.
- Continue enhancements to Town's GIS capabilities.
- Continue to identify efficiencies in the Town's computer network infrastructure.
- Assist with improvements to the Town's Business Continuity Plan.
- Support the implementation of the Town's Economic Development Strategy.
- Support the implementation of the Town's Electronic Document Management system.
- Review the Town's Risk Management policies.

DEVELOPMENT SERVICES

New Dwelling Units Constructed in 2023



Multi-family	52
Two-family	2
Single-family	7
Single-family to two-family (including adding a legal suite)	4
TOTAL NEW UNITS	65

Permits Issued in 2023



Building permits issued (with construction value)	69
Plumbing permits	70
Fire Department & solid fuel permits	2
Demolition Permits	10
Blasting Permits	0
Excavation Permits	0
Total permits issued	151
Total construction value	\$28,198,112

The Development Services Department provides service in the areas of municipal planning, building permits and inspections, and business licensing. The Department is committed to the delivery of a broad range of high-quality services to residents, businesses, and the development community by responding to all inquiries quickly, efficiently, and accurately. Department staff have an open-door policy and welcome face-to-face or virtual meetings to further communicate the goals, policies, and guidelines contained within the Official Community Plan (OCP), Zoning Bylaw, BC Building Code, and other applicable bylaws and policies.

Planning

Planning combines the functions of current planning, long-range policy planning, and project management of a range of initiatives. Administration of the Zoning Bylaw through land use development review serves to implement the OCP, ensuring an integrated approach to community growth and sustainability in Sidney.

Building Permits and Inspections

Building Permits and Inspections is responsible for monitoring building construction by ensuring compliance with the BC Building, Plumbing and Fire Codes. To promote health, life-safety and fire prevention throughout the community, Building Inspection personnel work closely with property owners, developers, other agencies, and the Fire Department. Functions include plan review, issuance of permits for new construction and renovations, and inspection of premises for code compliance prior to the issuance of occupancy permits. Staff also work with developers to implement Construction Management Plans to facilitate project efficiency and public safety while minimizing disruption to the surrounding neighbourhood. Building Officials are available to assist the public with a broad range of queries at the counter and on the phone.

In 2023, 151 permits were issued by Building Officials, with a combined total construction value of \$28,198,112.

Business Licences

Businesses operating within the Town of Sidney, including home occupations, are required to hold a valid Business Licence, as per Business Licence Bylaw No. 2119. In 2023, the Town renewed 889 licences for existing businesses, and issued 100 licences to new businesses. Business licence renewals continue to be provided at no charge to businesses, pending submission of an annual information update.

2023 Highlights - Department Projects

The following initiatives were continued or completed in 2023:

Zoning Bylaw Update

Following the adoption of a new Official Community Plan (OCP) for the Town of Sidney in June 2022, work began on an update to the Town's Zoning Bylaw in early 2023. The Town's current Zoning Bylaw – Bylaw No. 2015 – dates back to June 2012. For over a decade, it has served to implement the vision of the Town's previous OCP and provide clear regulatory guidance for building and development. With the updated OCP and a refreshed vision for the community, including new planning policy, development guidelines, and land use designations, a new Zoning Bylaw will provide clear guidance to the community on planning and development matters.

Parkland Needs Assessment

This was a technical project to evaluate the current and long-term need for parkland in the community. This project was undertaken in-house by planning staff, with input and assistance from other departments. The findings of this project were presented to Council in December 2023.

Other 2023 Department Initiatives

Development Services staff also provided planning assistance and support on a number of other inter-departmental projects, including park improvements, public works projects, transportation studies and policy development.

2024 Initiatives

- Completion of the Zoning Bylaw update.
- Continuing work to meet Provincial housing objectives, including an updated Housing Needs Report and update to the Official Community Plan.
- Utility box beautification.

2023 Highlights - Planning and Building Applications

Much of the Development Services Department's time continued to be spent monitoring the construction of several major developments, reviewing the Zoning Bylaw, and reviewing and processing a number of permit applications for new residential and commercial development in the Town. Following years of high volume construction from 2019 to 2021, the Town saw a slight increase in numbers of new residential units approved for construction in 2023, compared to 2022.

The following are some of the major development proposals approved by Council in 2023:

2270 Harbour Road: A Development Permit for a mixed-use development consisting of marine industrial/commercial space and two dwelling units.

2370 Oakville Avenue: A Development Permit for a two-storey multi-unit residential development containing 36 apartment dwellings.

10145 Fifth Street: A Development Permit for a 2.5 storey townhouse residential development containing 16 dwelling units.

10473 Resthaven Drive: A Development Permit for a 2.5 storey multi-unit residential development containing 18 apartment dwellings.



In 2024, the Town will be engaging community members in a review of the updated Zoning Bylaw.



ENGINEERING, PUBLIC WORKS & PARKS

The Engineering, Public Works, and Parks Department is responsible for all municipal infrastructure, including roads, sidewalks, water mains, sanitary sewers, storm drains, street and traffic lights, solid waste collection, parks upgrades and maintenance, street trees, and municipal buildings and facilities.

The Engineering Division

The Engineering Division provides technical expertise with respect to road design, water systems, sanitary sewer and storm sewer systems, traffic and parking management, asset management, and project management of specialized services such as asphalt paving and pipeline video inspection. The Engineering Division also administers contracts for the collection of garbage, kitchen organics, and yard waste. In addition to this, the Engineering Division seeks out and makes applications for grant funding for numerous projects. In cases where in-house expertise or resources are not available, Engineering is responsible for the procurement of professional consulting and construction services through a competitive process.

The Public Works Division

The Public Works Division is responsible for the maintenance and repair of all roads, traffic signals, streetlights, street signs, curbs and sidewalks, bus shelters, storm drainage, wastewater collection (including pump stations), water mains, service connections and meters, fire hydrants, and water main valves. Public Works is also responsible for the procurement and maintenance of fleet vehicles, operations and maintenance of municipal buildings, and collection of garbage from public waste receptacles. Public Works is constantly supporting residents and other Town departments, and they keep the Town running smoothly.

The Parks Division

The Parks Division is responsible for the upgrade and maintenance of all 28 Town parks. The Parks Division also maintains 17 beach access points, as well as administering the downtown beautification and banner programs, and annual Christmas light displays throughout the Town. They are responsible for planting and maintaining trees, gardens, and green spaces throughout the Town, inspecting playground equipment, and installing and maintaining irrigation systems.

Bylaw Enforcement

Bylaw Enforcement is responsible for day-to-day bylaw enforcement activities and coordinating with the Town's parking enforcement contractor. This includes education, enforcement action, ongoing consultation, and coordination with other departments in the review and modification of bylaws as required. Bylaws in Sidney are typically enforced on a complaint basis.

2023 Highlights

- Held the Town's Tree Appreciation Day in Peter Grant Park.
- Continued to investigate inflow and infiltration in sanitary sewer mains.
- Completed Bevan Fishing Pier recoating.
- Completed path resurfacing at Melville Park.
- Completed Galaran Road reconstruction, including drainage and water works, new sidewalks and repaving the road.
- Completed safety improvements of Town Hall electrical service.
- Completed construction of replacement Fourth Street Washrooms.
- Finalized the Active Transportation Plan.
- Completed condition inspections of the Beacon Wharf.
- Completed refurbishment of the Fifth Street medians.
- Completed required Ferry Terminal maintenance.
- Completed Downtown Parking study.
- Completed stormwater alternatives study.



In 2023, the Town of Sidney made significant improvements to Galaran Road, including drainage and water works, new sidewalks, and road repaving.

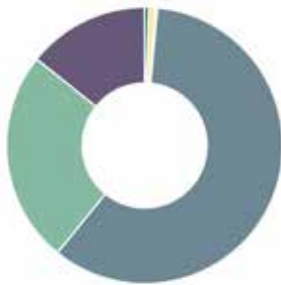
2024 Initiatives

- Install playground equipment at Philip Brethour Park.
- Continue working with VAA and District of North Saanich to complete the Beacon Avenue West Roundabout and Stirling Way realignment.
- Replace watermain on Harbour Road.
- Finish tree planting and line painting along Galaran Road.
- Complete construction of new public Waterfront Washrooms.
- Complete Asset Management planning process.
- Continue investigation of inflow and infiltration in sanitary sewer mains.
- Complete design and start construction of Lochside Drive watermain replacement.
- Start implementing Downtown Parking Study recommendations.
- Continue to explore reducing maximum speed limit through Sidney.
- Explore residential parking permit program for Sidney.
- Develop an on-street accessible parking standard.
- Conduct traffic study on Sidney Avenue and implement pedestrian improvements.
- Continue Development Cost Charges Bylaw update.
- Pave Calvin Lane and complete drainage improvements for multi-use path.
- Complete Beacon Avenue West storm drainage improvements and minor road improvements.
- Replace the Tulista Park picnic shelter.
- Replant landscaping in Beacon Park and make drainage improvements.
- Rebuild west of highway bike path.
- Complete sidewalk and repaving of Malaview Avenue between Third Street and Fifth Street.
- Repave Tulista boat trailer parking lot.
- Build sidewalk along Fifth Street in front of Food Bank.
- Support the Capital Regional District in repaving the Lochside Trail from Weiler Avenue to the Town's Works Yard.
- Complete Amelia Avenue watermain highway crossing and construction.
- Update utility study based on potential future development.
- Replace Judson Road and Harbour Road water mains.



CLIMATE ACTION

Corporate Emissions in 2023



- Fleet (59%)
- Buildings (25%)
- Lighting (0.8%)
- Parks (0.5%)
- Water & Sewer (0.2%)
- Contracted & Shared (14%)

The Climate Action plan seeks to:

- Build understanding of climate change, climate action, and implications for Sidney;
- Estimate the amount of greenhouse gas (GHG) emissions produced by the Town’s operations and by the greater community;
- Summarize the potential local impacts of climate change; and
- Identify ways that the Town and the community can take action to respond to climate change, including reducing the impact we have on the environment (mitigation), and preparing for the ways a changing climate might impact the community (adaptation).

How are we contributing to climate change?

Emissions inventories help understand where emissions are coming from so that actions can be prioritized based on the biggest sources. They can also show how emissions increase or decrease over time.

Corporate Emissions

The Town had an increase in fleet emissions and a decrease in building emissions. Total emissions increased between 2022 and 2023 due to increased fleet emissions and an updated methodology to calculate emissions from services that the Town contracts out to third parties (i.e., paving roads and painting lines on streets). The most significant sources of emissions for the Town are:

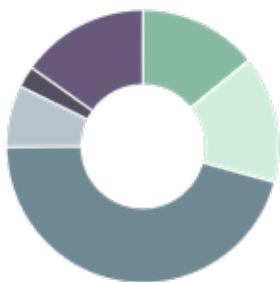
- Gas and diesel for trucks used for parks maintenance, public works, and emergency response: 52% of municipal emissions (does not include off-road vehicles such as mowers)
- Estimated emissions from contracted services: 14% of municipal emissions
- Natural gas use in the Community Safety Building (CSB): 17% of municipal emissions
 - 18% decrease in CSB emissions from 2022.

Community Emissions

There was an increase in transportation emissions and a decrease in building emissions between 2020 and 2022. Despite significant emissions reductions resulting from lower fuel oil use in residential buildings, increases in transportation emissions and non-residential building emissions contributed to a 4% increase in overall community emissions between 2020 and 2022. The most significant sources of emissions for the community are:

- Gas used for personal trucks, vans, and SUVs (25%)
- Gas used for passenger vehicles (12%)
- Natural gas used in commercial and industrial buildings (10%)
- Natural gas used in homes (9%).

Community Emissions in 2023



- On-Road Transportation (46%)
- Off-Road Transportation (7%)
- Residential Buildings (14%)
- Commercial & Industrial Buildings (15%)
- Waste (3%)
- Other (15%)

How did we reduce our impact in 2023?

Corporate Climate Action

Transportation

- Purchased new electric parks equipment to reduce fuel use.
- Hosted Corporate Go by Bike Week competitions to promote staff active transportation uptake.

Buildings

- Maintained 2022 temperature reduction in the CSB truck bays to help mitigate increases in natural gas usage.
- Investigated options to achieve long term reductions in corporate building energy use.

Community Climate Action

Transportation

- Applied for and was awarded \$31,000 Community Active Transportation Engagement Grant.
- Piloted weekly bike valet services for the summer Sidney Street Markets.
- Partnered with Capital Bike to promote active transportation.
 - Hosted a “Try-An-E-bike” demonstration day.
 - Hosted a Celebration Station during the fall and spring “Go By Bike Weeks” to promote bike riding in the community.
- Initiated partnership with CRD and BC Hydro to install new EV Chargers at the Mary Winspear Centre.

Buildings

- Incorporated building emissions considerations into the Zoning Bylaw update process.
- Connected residents with resources to help them find rebates and grants to offset their home retrofit projects.
- Provided 40 CleanBC municipal top-up rebates for residents who switched to an electric heat pump from natural gas or oil (increase from 26 in 2022).

Sidney’s top 3 climate risks



Increasing temperatures

- More frequent heat waves
- Fewer frost days



Changing precipitation

- More frequent intense rain events
- Longer summer dry spells



Sea level rise

- Possibility for flooding during storm surges at high tides
- Flood risk areas: Tulista Park and Tsehum Harbour areas

How are we preparing for our risks?

- Applied for and was awarded \$270,000 to undertake a Sea Level Rise Adaptation project.
 - Two data collection buoys launched in September to inform refined flood modelling.
 - Prepared for Community Flood Awareness education programming to take place in 2024.
 - Developed flood hazard risk signage for the Lochside Waterfront Walkway.
- Partnered with the CRD, Victoria, Saanich, and Oak Bay to undertake a grant-funded Heat Vulnerability Mapping Project.
- Incorporated a climate lens into the ongoing Asset Management Plan development process.
- Purchase of land to establish a new park on Third Street, preserving existing mature trees and planning for future greenspace.
- Planted 275+ trees throughout the community, which will support stormwater management and provide cooling services during warmer temperatures.
- Partnered with the Greater Victoria Green Team to host three community stewardship events, including the third annual Tree Appreciation Day (200+ saplings planted) and two invasive species pull events.
 - Offered 80 free trees for Sidney residents to plant on their properties during the annual Tree Giveaway leading up to Tree Appreciation Day.



FIRE SERVICES

Emergency Response Activity



of Calls

MESA <i>Medical Emergency Services Assists</i>	744
MESA:First on Scene <i>Fire Department crews were the first emergency services on scene</i>	585
Assists <i>E.g. Smoke alarm program, child car seat installation</i>	371
Fire Calls, Other Calls, Auto-Aid/Standby <i>E.g. Calls to assist mutual aid partners including North Saanich and Central Saanich</i>	398
TOTAL CALLS	1513

The Sidney Volunteer Fire Department provides fire suppression, rescue, first responder emergency medical care, and specialized marina firefighting services to the residents and businesses of the Town of Sidney. Established emergency response capabilities are supplemented with an ever-increasing emphasis on risk reduction initiatives such as public education, fire and safety inspections, and enforcement of Town bylaws and BC Fire Code regulations. Additionally, the department is responsible for emergency management and preparedness in Sidney, and collaboration with the Peninsula Emergency Measures Organization (PEMO). This full spectrum of services is provided by utilizing a composite model of six career and 34 volunteer firefighters. The Fire Department also works closely with neighbouring jurisdictions. Mutual Aid agreements are in place with the Districts of Central Saanich and North Saanich, and the Victoria Airport Authority.

Calls for Service

Call volume trends continued to increase across all types of incidents in 2023. While 2022 had been a record-breaking year for incident levels, totaling 1194 by year's end, 2023 saw a 27% increase in call volume from 2022, with a total of 1513 incidents attended by the Sidney Fire Department.

Community Risk Reduction

The Fire Department conducted 1176 fire and life safety inspections in 2023, which was an increase of approximately 100 inspections from the previous year. As part of ongoing fire prevention efforts, the Fire Department made 13 public education presentations in 2023. Fire prevention staff continue to be involved in the examination of building plans and the review of construction and demolition fire safety plans. Staff have also worked with many strata groups as they update or create fire safety plans for existing buildings.

2023 Highlights

- Acquired “Squad 2” which bolsters marina fire protection and urban interface response capabilities.
- Initiated an Emergency Management career exploration program with School District 63.
- Successfully secured \$97,450.in grant funding.
- Facilitated EOC training for both internal and external participants.
- Updated the Hazard, Risk and Vulnerability Analysis.

2023 Fire Investigations

- 22 Fires in Sidney requiring investigations
- Value of damage in Sidney due to fires: \$854,958
- Potential value of damage in Sidney due to fires: \$41,353,550

Community Risk Reduction



Annual Inspections	883
Re-Inspections / Follow Up	293
Review of Fire Safety Plans for New Construction	95
Business Inspections as part of Licensing Process	54
Public Education Presentations	13



Training Activity



# of Hours	
Driver Training	335
Blue Card Incident Command Training	275
First Responder Training	285
Live Fire Training	230
Confined Space Rescue Training	225
HAZMAT Training	215
TOTAL TRAINING HOURS	5023

6:54

Sidney Fire Department’s average response time to a structural incident.

BC Building Code requires fire suppression (e.g. pump/water) to arrive on scene in under 10 minutes 90% of the time. If this benchmark cannot be achieved, building separation distances must be increased, openings must be reduced, or the structure must have sprinklers installed.

2024 Initiatives

- Facilitate a Town of Sidney specific emergency response exercise.
- Make measurable progress on updating the “Meet Your Street” Resource Guide to enhance community disaster resiliency initiative.
- Initiate the planning and procurement process to establish a Town of Sidney post disaster water supply capability.
- Scope, cost, and award a contract to review, and update the Town’s hazard specific response plans. Depending upon the cost this may be a phased two-year project.
- Continue to make progress to be recognized as a United Nations Resilient Hub City.
- Implement Sea Level Rise public education components.
- Complete CRD Tsunami Information Portal how to YouTube video project.
- Integrate mitigation processes potentially arising from the anticipated Community Wildfire Resiliency Plan, and execute tailored public education.



POLICE SERVICES

Policing services are provided to the municipalities of Sidney and North Saanich by the RCMP-GRC through Federal/ Provincial/Municipal contracts. A detachment centrally located at 9895 Fourth Street in Sidney provides diverse policing services to the surrounding Northern Saanich Peninsula and First Nation communities, the Willis Point region, and 52 islands and coastal waters extending to the USA boundary. Within the detachment boundaries, policing services are also provided to the Victoria International Airport, and the Swartz Bay and Anacortes ferry terminals.

Detachment Resources

The Sidney/North Saanich Detachment is comprised of 34 police officers and 11 civilian support staff. Uniformed officers are divided into four watches providing a 24-hour, seven day a week on-duty response to emergencies and calls for service. Specialized units within the detachment are organized into a four-officer Major Crime Unit, a two-officer Traffic Unit, one Community Policing officer, and two First Nations Policing officers. On average, the detachment responds to 7,000 calls for service annually, many involving extensive investigation.

A management team is responsible for administration, planning, budget monitoring, and operations for the detachment. Business hours for inquiries, assistance and service are Monday to Friday from 8:30 am to 4:15 pm.

Policing Services in 2023

The Sidney/North Saanich Detachment saw a 5% increase in total calls for service in 2023 with 3014 calls responded to within the Town of Sidney. Over the past year, crime against person offences decreased 15%, while property crime levels increased marginally. A 25% increase in fraud scams involving a financial loss continues to reflect a growing trend in this type of crime impacting community members.

Policing services to the community include the response to emergency and non-emergency calls and the investigation of criminal, provincial statute, and bylaw contraventions. Traffic services include investigating traffic accidents and conducting impaired driving, speed, and distracted driving enforcement. Community Policing services place emphasis on crime prevention programs, which assist in awareness and prevention of property crime. A major crime unit supports the investigation of the most serious crime investigations, including missing person, child exploitation, sexual assault, and intimate partner violence investigations.

Policing Priority Statistics

The detachment establishes annual policing priorities that are aligned with provincial policing strategies and local initiatives. Efforts are undertaken throughout the year to focus and devote crime reduction and crime prevention activities towards these priority policing objectives. During 2023, a total of 119 impaired driving investigations were conducted, over 1500 traffic violation contacts were issued, and 115 community outreach initiatives were undertaken. Efforts to bring greater awareness to fraud scam crime were emphasized at the summer street market RCMP booth, and through local presentations. The accomplishments towards these policing priority initiatives contribute towards increased traffic safety and a greater awareness of self protection from fraud and property crime.

Community Policing & Volunteer Programs

The Community Policing unit is expanding and rebuilding volunteer and crime prevention programs following the suspension of many programs during COVID-19. An active Block Watch program continues to expand to Sidney neighbourhoods. The program is administered by a detachment coordinator through an email network where current crime trends and locations are distributed to Block Watch members. Volunteers with the Speed Watch program provide speed awareness and traffic calming measures. The Saanich Peninsula Restorative Justice Program supports alternate resolutions to police responded incidents through a referral process.

The Community Policing unit provides engagement with the community through school liaison, business watch, and outreach programs. Specific prevention initiatives for fraud scam awareness and Project 529 bike registration are aimed at helping residents from becoming victims of crime.

Priorities for 2024

Many of the initiatives implemented in 2023 will be continued during 2024. The Community Policing unit looks forward to the return of the weekly street market on Beacon Avenue as an opportunity to reach more of the community with important prevention information.

The detachment is committed to inform and help the community protect themselves from fraud scams.

The detachment will continue to focus and emphasize safe driving and pedestrian safety practices through enforcement and education.

Property crime reduction remains at the forefront, with emphasis on preventative practices such as removing valuables from vehicles, installing video at residential and business properties, and reporting any suspicious activity to police when it is occurring.



Community Policing efforts, from pedestrian and driver safety to scam awareness, help prevent incidents in Sidney.

Detachment Commander Comments

The support of the community adopting crime prevention and safety practices and quickly reporting crime activity has been instrumental in swift police intervention and contributes to safe streets, safe homes, and a safer community. To continue this trend, community members are encouraged to be engaged in taking measures to protect themselves and their property from crime, being informed about fraud scams, securing homes and vehicles, observing safe driving, cycling and pedestrian practices, and immediately reporting crime or suspicious activity taking place.

Thank you,

Staff Sergeant Wayne Conley
Sidney/North Saanich RCMP





FINANCIAL INFORMATION

MANAGEMENT DISCUSSION & ANALYSIS

The financial statements are the responsibility of the Town's management and have been prepared in compliance with the Community Charter and generally accepted accounting principles. The annual financial statements are composed of two primary statements – the *Statement of Financial Position* (page 47) and the *Statement of Operations and Accumulated Surplus* (page 48). These primary statements are supplemented by extensive notes and tables that serve to better explain the Town's financial results and nature of operations. The notes are an integral part of the financial statements, as they provide additional details on the consolidated numbers found on the two primary statements. The statements and supporting notes are discussed in more detail below.

Statement of Financial Position

The *Statement of Financial Position* outlines the Town's financial health by providing a snapshot of the total Assets, Liabilities, and Accumulated Surplus as at December 31, 2023. Financial Assets include cash, as well as items that can or will be converted to cash within a short timeframe, such as investments and receivables. Financial Assets represent amounts that can be used to satisfy Liabilities and finance future services.

Financial Assets had a year ending balance of \$31,274,697, compared to \$26,815,501 in 2022. This increase of \$4,459,196 is primarily attributable to the receipt of a significant grant from the Province of B.C., in the amount of \$3.82 million. These funds were placed in a reserve, and will be used over the next two years to fund eligible expenditures under the grant program.

Liabilities is the next section in the *Statement of Financial Position*; this represents cash and services owing by the Town to third parties. The increase in Deferred Revenue is primarily due to higher developer related deposits (\$914,000 increase) and higher unearned revenue (\$280,000 increase).

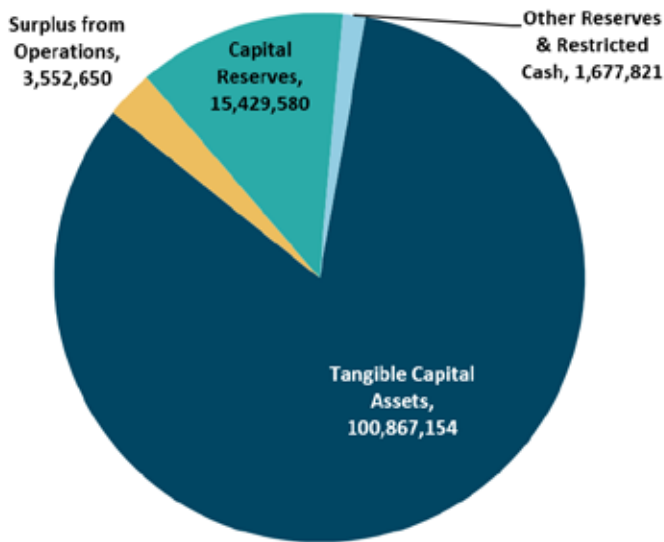
The Town's largest liability is its debt, totaling \$9.65 million, which was entirely issued through the Municipal Finance Authority. It is important to note that any debt held by the Town must be for capital purposes, and not to fund operating deficits. Principal payments during the year reduced the total debt balance by \$382,318. Approximately \$7.6 million of the Town's total debt relates to the Community Safety Building; part of the debt payments are covered through a lease for a co-located ambulance station in the facility. The average interest rate of current outstanding debt is 2.41%, with rates of individual debt issues ranging from 1.28% to 3.39%.

The adoption of a new accounting standard resulted in a new liability line item called Asset Retirement Obligations, which have been recognized in an amount of \$700,600. This liability represents the estimated cost to properly dispose of hazardous material (mainly asbestos) present in Town facilities. There is a corresponding increase under Tangible Capital Assets in the Non-financial Assets section.

Next on the *Statement of Financial Position* is Net Financial Assets, which is the difference between the Town's financial assets and its liabilities. A Net Financial Asset position indicates that we have more financial assets than future obligations, which presents a favourable indication of the Town's ability to satisfy its liabilities and provide future services. The Town's position increased by \$2,634,832 during 2023, due primarily to the Provincial grant described above; the \$3.82 million was received, but has not yet been spent. While the Town has a Net Asset position, it is not uncommon for local governments to have a Net Debt position, where liabilities exceed financial assets; this occurs when local governments undertake investments in capital assets (i.e. turning financial assets into non-financial assets) or incur debt that requires future revenues to repay. There is no "right" level for Net Financial Assets; it depends largely on the growth plans and infrastructure health of each local government.

Non-financial Assets is the next section of the *Statement of Financial Position*. This category is made up almost entirely of the net value of tangible capital assets (TCA), but also of smaller amounts for inventories of supplies and prepaid expenses, all of which are held for the provision of future services. The TCA amount represents the remaining value (cost less depreciation) of past investment in infrastructure, buildings, facilities, structures, vehicles, equipment and other long lasting items that provide services to residents over the useful lives of the assets. Inventories and prepaid expenses are assets that will likely be consumed as part of operations in the upcoming year, but cannot be easily converted to cash to meet financial obligations. The 2023 year ending TCA balance was \$111.2 million, an increase of \$6.28 million over 2022. This resulted from net investments in TCA of \$9.63 million, less \$3.35 million of amortization.

Accumulated Surplus



The “bottom line” on the Statement of Financial Position is the Accumulated Surplus, which is the total of Net Financial Assets and Non-financial Assets; this amount represents the sum of all economic resources available to the Town to meet future financial and service obligations. The Accumulated Surplus balance of \$121,527,205 is broken down into various components in Note 8 (page 62) of the statements (as illustrated in the pie chart), and is discussed in more detail in the following section. It is important to clarify that since the Accumulated Surplus is comprised of both Financial and Non-financial Assets, it does not represent an available pool of funding. *Net Financial Assets* represents the amount available to satisfy *financial* obligations and *Non-financial Assets* represents the amount available to meet future *service* obligations.

There is another new line on our *Statement of Financial Position*: Accumulated remeasurement losses. This is the result of another new accounting standard related to Financial Instruments and Foreign Exchange Translation. The \$34,988 in Accumulated Remeasurement Loss is entirely attributable to unrealized losses on US dollar holdings (i.e. the change in value of the US dollar, relative to the Canadian dollar, in the Town’s bank account). Previously, these unrealized losses (and gains, in some years) were included in Accumulated Surplus. Under the new accounting standards, the gains and losses will be reported as Accumulated Remeasurement Gains/Losses while they are unrealized, and move to Accumulated Surplus when realized – that is, when the US dollars are used to make purchases, and these purchases are reported in Canadian dollars, the Town’s functional and reporting currency.

Statement of Operations & Accumulated Surplus

The *Statement of Operations & Accumulated Surplus* presents the operating results by comparing revenues and expenses for the year, with the net difference being the “Annual Surplus”. The Annual Surplus essentially represents the increase in the Town’s ability to fund future services. Total revenues of \$35,163,882 were considerably higher than the previous year, primarily due to the receipt of grants. Growth in tax revenues and investment earnings was a lesser factor.

The 2023 *Statement of Operations and Accumulated Surplus* indicates an Annual Surplus of \$9,207,137, which is broken down into the following components:

Net investment in Capital Assets	\$ 5,970,992
Net increase in Reserves & Restricted Cash	3,655,817
Net increase in Surplus from Operations	(419,672)
Annual Surplus	\$ 9,207,137

The *Annual Surplus* figure should not be considered a pure financial gain for the Town, nor an indication that we are collecting too much in taxes and fees. It is important to acknowledge that much of the money being collected as tax revenue is earmarked for capital asset additions, for transfer to reserves for future use, or for repayment of debt. None of these legitimate and necessary uses of funds qualify as expenses for purposes of financial reporting; therefore, they are not reflected in the *Annual Surplus* amount, which may, as a result, appear to be inflated.

The *Surplus from Operations* figure (actually a deficit in 2023), which is the smallest component of the *Annual Surplus*, provides the most accurate indication of true operating results; the rest of the Annual Surplus has either been used to acquire capital, repay debt, or set aside for future use.

The Annual Surplus is the net difference between the Town’s actual *revenues* and its *expenses* for the year, and is independent of any variance from the budget for the year. A budget column is included in the *Statement of Operations & Accumulated Surplus* to provide the reader with an indication of operating plans for the year and demonstrate public accountability; however, variances from budget are not discussed in the financial statements.

A comparison of budget to actuals would indicate that the Town’s Annual Surplus was just over \$5.7 million higher than what was anticipated in the budget (actual surplus of \$9,207,137 versus budgeted surplus of \$3,483,355). As previously indicated, this was due mostly to the receipt of unanticipated grants, which were set aside for future use.

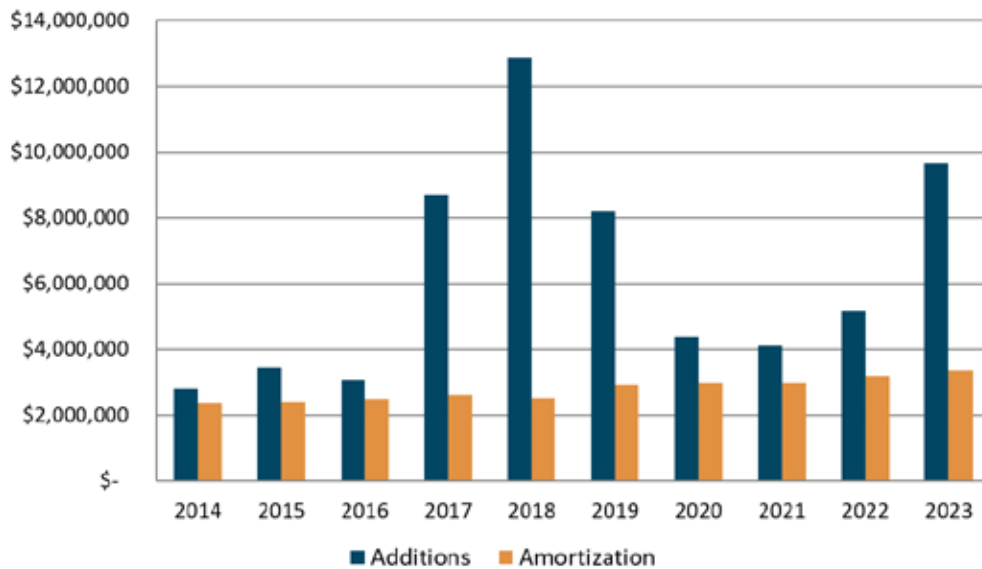
Net Investment in Capital Assets

A large contributing factor to the Annual Surplus is an increase of \$5,970,992 in *net investment in capital assets*. This increase in value means that the Town added more in TCA than it consumed. TCA are consumed through amortization (also known as depreciation); the cost of the asset is divided by its useful life, and expensed annually over that lifespan. This method of accounting spreads the value of the asset over its ability to provide services to residents.

The 2023 *net investment in capital assets* is made up of \$9,625,008 in net acquisitions, reduced by \$3,348,334 in amortization; this was accompanied by a net reduction in long-term debt of \$382,318. The most significant capital additions during the year were through Town infrastructure projects totaling \$7.9 million.

The chart below shows the Town’s TCA additions and amortization over the past 10 years. It demonstrates that in most years (in fact, all years over the past ten), there is a positive net investment in capital assets.

Tangible Capital Asset Additions and Amortization



Generally, it is good to have a positive net investment in capital assets each year, as this would indicate the Town is renewing assets more quickly than it is consuming them through the provision of service. The simple act of renewal would likely lead to a net increase in TCA, as asset renewal occurs at current dollars, while the asset consumption occurs at historical (and typically lower) costs. However, that is a bit of a simplification, and the sufficiency of asset renewal must be considered in the full context of the Town’s asset management plans. These plans are continually being developed and refined as the Town moves forward with its asset management strategy.

Net Increase in Reserves

In the breakdown of the Annual Surplus above, another contributing factor is the net increase of \$3,655,817 in the Town’s reserves. Reserves are funds set aside to finance works (usually capital) in future years.

There are two classes of reserves. The more formal of these is indicated in Note 6 as “Reserve funds set aside for specific purposes by Council”. These are known as Statutory Reserves, in that they are created by bylaw, as allowed under provincial legislation. The establishing bylaws set out the purposes of the funds, and these purposes cannot be changed without a bylaw amendment. In other words, the funds must be used for the purposes for which the reserves were established.

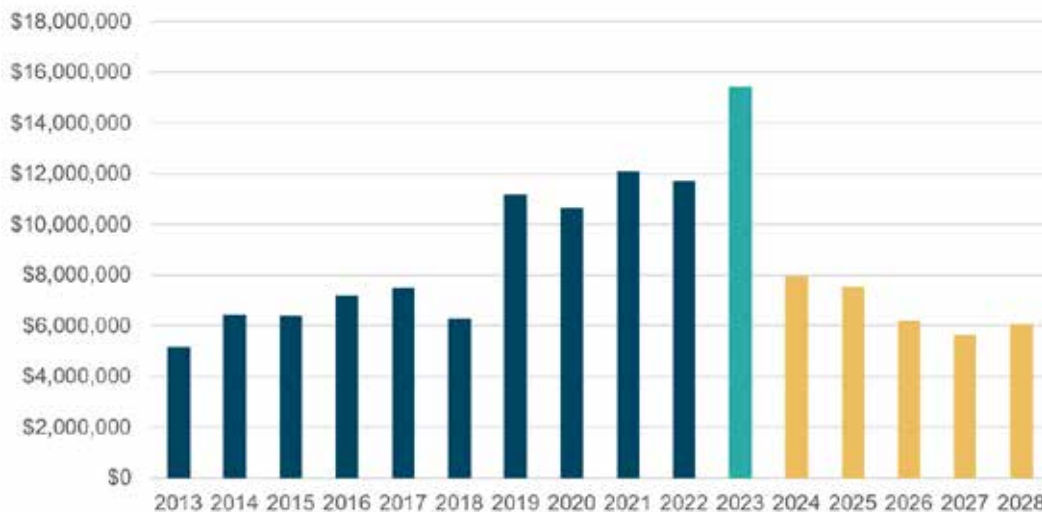
Statutory Reserves had a net increase of \$3,733,399 during 2023; transfers into the Reserves equaled \$7.5 million, while transfers out to fund projects equaled \$4.4 million. While budgeted transfers to reserve totaled only \$3.7 million, this was supplemented through the receipt of a significant, unanticipated Provincial grant, as well as development contributions; these amounts were also set aside in reserves. The level of funding drawn from the reserves fluctuates from year to year, depending on the Town’s capital program for each year. The reserve balances are therefore cyclical, with the Town’s capital renewal patterns having a significant impact.

The Town’s total Statutory Reserves at year end amounted to \$15,429,580. The Provincial Growing Communities Fund grant, which was placed into a corresponding reserve, makes up 25% of this total; a further 16% is made up of reserves to replace Town vehicles, equipment and the ferry terminal, while 24% represents the Town’s Infrastructure Replacement reserves. The primary purpose of maintaining most of these reserves is to set money aside in a systematic, evenly-distributed manner for the eventual replacement of existing Town assets when they reach the end of their useful lives; this practice helps to ensure financial sustainability. An additional 16% of the total Statutory Reserve balance represents contributions from the Canada Community-Building Fund (formerly called Gas Tax) being held for future eligible use.

The second subset of reserves is labeled “Capital & Operating Appropriations”. While less formal, these funds are also usually earmarked for specific purposes, and made up of funds carried forward for completion of specific projects or initiatives. The decrease of \$81,721 in these funds is mostly related to the use of the COVID-19 Safe Restart Grant (a large portion was set aside at the end of 2020) to assist with transitioning back to full tax revenues, following a 2020 tax reduction.

The chart below shows the Town’s total Statutory Reserve balances over the last ten years, and projected balances for the next five years. It illustrates the cyclical nature of the reserve balances, based on the timing of expenditures for which the reserves were created.

Statutory Reserve Balances



Based on the current 5-year financial plan, the trend is for a diminishing reserve balance for the next four years and then an increasing reserve balance for the following year. The large reduction in the next four years is due to the projected use of the Growing Communities Fund and accumulated Canada Community-Building Fund reserves, which are both intended to be consumed over a relatively short period. We also have an ambitious replacement timeline for the Town's infrastructure over the next few years; this latter plan will be reviewed carefully over the next several years – as part of a formal asset management plan – to ensure that enough funds are being set aside for ongoing future needs. The ideal level of reserves depends on the Town's future needs and wants, and decisions around how to fund them.

Having a net reserve surplus or deficit (i.e. increase or decrease) in any given year is strictly a reflection of the Town's plans and spending patterns, and must be considered in conjunction with those plans for a full understanding of the impact. For example, in years where the Town is putting aside money for a future purchase, there will be a reserve surplus. When those funds are actually used, an annual reserve deficit may occur. All of these events would fit within the Town's overall financial planning, despite the different year-by-year financial impacts. While renewal of Town infrastructure is a positive direction, the diminishing balance projections for reserves is a trend that needs to be addressed through long term asset management strategies, which are in progress. The amount of annual funding transferred into the Town's reserves may have to be increased.

Increase in Restricted Cash

This small balance (increase of \$4,139) represents the amount of cash the Town has paid into a sinking fund as security against its long-term debt. When the debt is fully repaid, the restriction is removed, and the funds are returned to the Town for other purposes. Generally, they are put into a reserve.

Net Increase (decrease) in Surplus from Operations

The *net increase (decrease) in surplus from operations* is perhaps the most important contributing factor to the Annual Surplus. The Surplus from Operations provides the best indication of the most recent year's operating results. The previously discussed contributing factors to the Annual Surplus, which may result in a surplus or deficit in any given year depending on the Town's financial or asset management plans, are not true indicators of the most recent year's operating performance. The Surplus from Operations in a given year represents the true increase in the Town's "disposable income" for future spending. The table below shows the breakdown of the most current year's net decrease in Surplus from Operations:

General Operating Fund	\$ (217,841)
Garbage Utility	(29,529)
Water Utility	18,914
Sewer Utility	(191,216)
<u>Net decrease in Accumulated Surplus from Operations</u>	<u>\$ (419,672)</u>

2023 operations realized a total deficit of \$419,672. General Operating realized an operating deficit of \$217,841. The 2023 budget was originally balanced with \$450,000 of surplus funding. In a typical year, this funding is not required to fund operations, and a small surplus is realized through operational savings. In 2023, however, just under 50% of the budgeted surplus funding was required to balance operations for the year.

The Garbage Utility, which operates on a cost recovery basis, realized a deficit from Operations of \$29,529, which was slightly lower than anticipated.

In early 2021, Council approved a new rate structure for the Water Utility that better reflects the fixed and operating costs of the Utility; as such, large annual fluctuations from budget were no longer anticipated to occur. The new structure also provides a more equitable distribution of costs and ensures the financial stability of the Water Utility; full annual cost recovery should now result. The first three years under this structure proved to be successful in achieving these goals, and the Utility realized a small operating surplus of \$18,914.

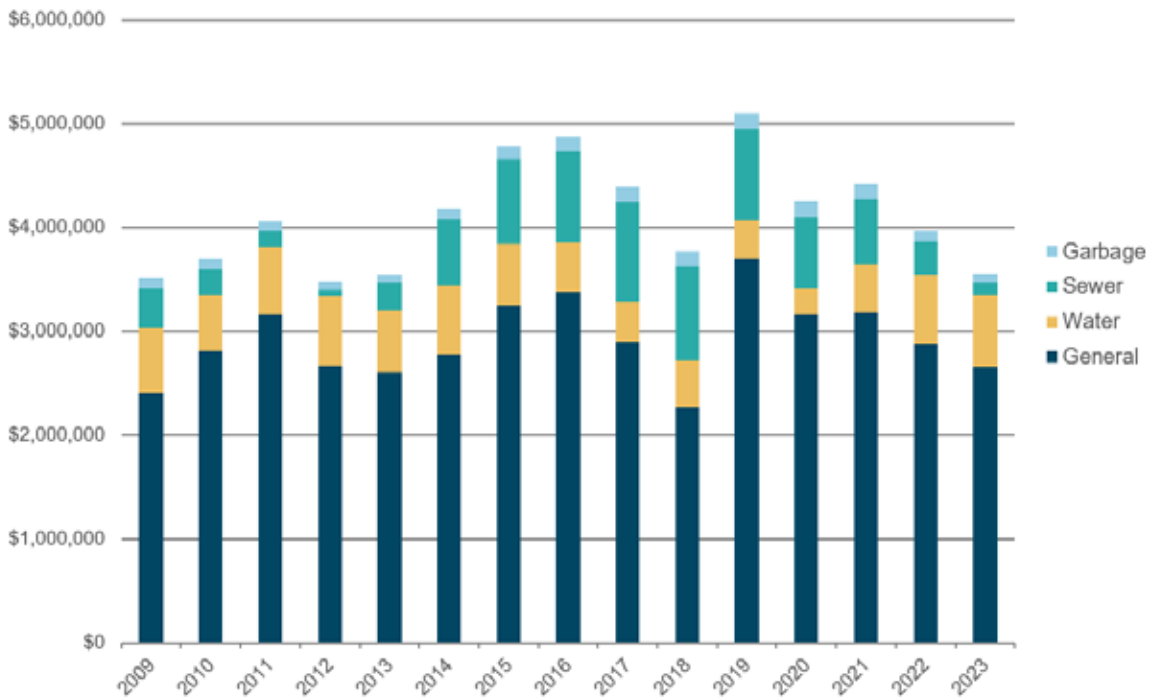
The Sewer Utility realized a deficit of \$191,216, which was less than the budgeted deficit (use of surplus) of \$236,000. A review of the Sewer Utility rate structure is anticipated in 2024 to ensure this Utility is also sustainable going forward.

The Town has a policy to determine the adequate level of Accumulated Surpluses from Operations. The adequate levels are calculated as percentages of the previous year’s revenues. This policy ensures that we maintain sufficient funds for the following purposes:

- To provide an adequate reserve for major disasters or contingencies;
- To provide adequate working capital to reduce or eliminate the need for temporary borrowing throughout the year;
- Revenue stabilization: available funds to cover any revenue shortfalls and to prevent tax revenue fluctuations by funding non-recurring expenditure items.

The chart below illustrates the Town’s Accumulated Surplus from Operations balances over the past 15 years, and the contribution from each of the Town’s operational areas. When the 2023 net decrease in Surplus from Operations is combined with surpluses from prior years, the year ending Accumulated Surplus from Operations balance decreases to \$3,552,650. While this is still a substantial amount, the General Operating Fund and the Sewer Utility balances are below minimum policy levels. The remedy for the Sewer Utility is to complete a review of the rate structure, and set rates to ensure long-term sustainability, similar to what was done for the Water Utility. The surplus policy for the General Operating Fund will be reviewed in 2024, prior to undertaking the 2025 budget process.

Accumulated Surplus from Operations



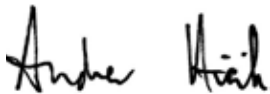
Notes to the Financial Statements

As indicated previously, the notes are an integral part of the financial statements. Firstly, they explain the nature of the organization, and its significant accounting policies. The individual notes also provide additional details to support the numbers on the two primary statements. Reference is made on the statements to a note number; users wishing to gain a better understanding of Town financial results should be referencing these notes as they read through the statements.

The notes also serve to identify potential commitments and liabilities not captured in the statements themselves. These exclusions can be for various reasons, but generally they represent events that do not fit the accounting definition of a liability, or cannot be reliably measured. Disclosing these items in the notes (Note 16) provides readers with some additional information to assist in their interpretation of the Town's financial position, and any potential risks. Users may then make their own decision as to the level of risk implicit with each item disclosed.

Financial Summary

The Financial Statements are a primary way for the Town to communicate financial information. It is our goal to make the statements accessible and informative to the reader. The 2023 financial statements reflect a continued dedication to sound financial management. The Town's equity in capital assets increased during the past year, demonstrating a commitment from the Town to fund its infrastructure renewal. Furthermore, the Town continues to maintain low levels of debt, and will continue to do so going forward. This will allow flexibility in providing future services. The overall balance of reserves increased in 2023, due to the receipt of unanticipated grant funding. The Town continues to refine its asset management planning capacity, to determine the longer-term funding required for financially sustainable infrastructural renewal.



Director of Finance
June 1, 2024

CONSOLIDATED FINANCIAL STATEMENTS

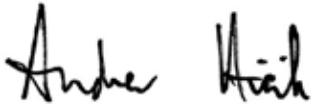
FINANCIAL REPORTING RESPONSIBILITY

The accompanying financial statements of the Town of Sidney (the “Town”) are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting standards for local governments, as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is included in note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management’s judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

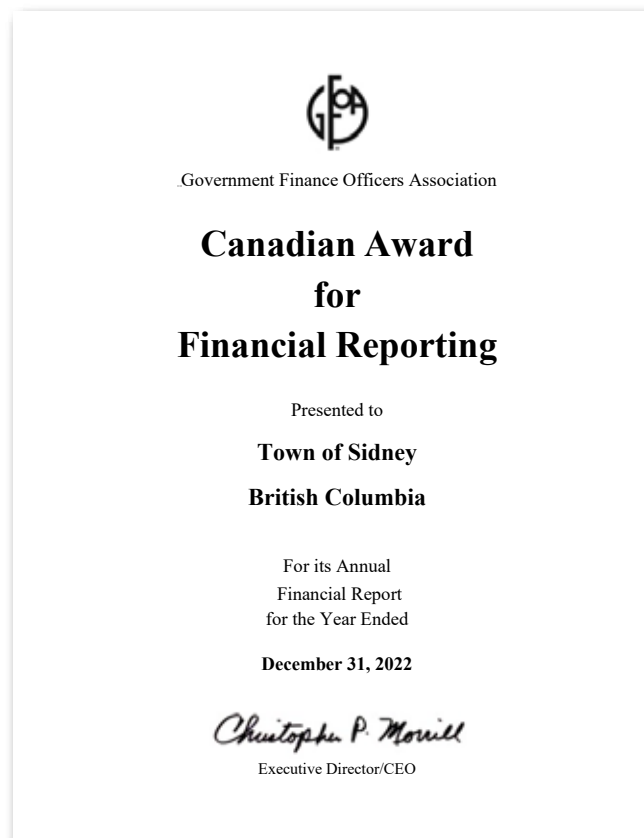
The Town’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

The Municipal Council meets with management and the external auditors to review the financial statements and discuss any significant reporting or internal control matters prior to their acceptance of the financial statements.

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



Director of Finance
June 1, 2024



**KPMG LLP**

PO Box 10426 777 Dunsmuir Street
 Vancouver BC V7Y 1K3
 Canada
 Telephone 604 691 3000
 Fax 604 691 3031

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the Town of Sidney

Opinion

We have audited the financial statements of the Town of Sidney (the "Town"), which comprise:

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

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

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

Basis for Opinion

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

We are independent of the Town 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.



Town of Sidney

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

Those charged with governance are responsible for overseeing the Town'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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Town of Sidney

- 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 Town'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 Town 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 of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Victoria, Canada
May 13, 2024

STATEMENT OF FINANCIAL POSITION

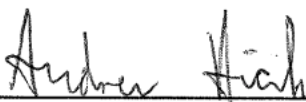
December 31, 2023, with comparative figures for 2022

	2023	2022
Financial assets:		
Cash	\$ 12,241,489	\$ 13,720,829
Investments	12,020,282	10,029,702
Property taxes receivable	405,727	422,492
Accounts receivable	6,469,904	2,509,322
MFA Debt Reserve Fund cash (note 5b)	137,295	133,156
	<u>31,274,697</u>	<u>26,815,501</u>
Liabilities:		
Accounts payable and accrued liabilities	4,077,952	4,004,459
Deferred revenue and deposits (note 3)	6,146,482	4,775,193
Employee future benefit liability (note 4)	1,133,500	1,072,200
Debt (note 5)	9,649,651	10,031,969
Asset retirement obligations (note 6)	700,600	-
	<u>21,708,185</u>	<u>19,883,821</u>
Net financial assets	9,566,512	6,931,680
Non-financial assets:		
Tangible capital assets (note 7)	111,204,805	104,928,131
Inventory of supplies	320,899	276,131
Prepaid expenses	400,001	184,126
	<u>111,925,705</u>	<u>105,388,388</u>
Accumulated surplus (note 8)	121,527,205	112,320,068
Accumulated remeasurement losses	(34,988)	-
	<u>\$ 121,492,217</u>	<u>\$ 112,320,068</u>

Contractual rights (note 14)

Commitments and contingent liabilities (note 16)

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



Director of Finance

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

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

	<i>Budget</i> 2023 <i>(note 12)</i>	Actual 2023	Actual 2022
Revenue:			
Net taxes available for municipal purposes (note 9)	\$ 16,066,444	\$ 16,082,212	\$ 15,031,340
Fees, rates and service charges	7,251,800	6,745,709	6,863,690
Government transfers (note 10)	2,980,022	9,685,068	1,860,693
Investment earnings	660,000	1,371,055	613,506
Gifts and contributions	2,830,000	1,045,045	655,452
Penalties and interest	112,000	158,312	99,747
Actuarial adjustment on debt	-	57,667	49,603
Other	9,500	18,814	151,945
Total revenue	29,909,766	35,163,882	25,325,976
Expenses:			
General government	3,174,091	3,183,774	2,781,663
Protective services	7,146,928	6,618,262	6,713,768
Transportation	4,729,491	4,621,877	4,135,476
Environmental health services	1,138,814	1,038,156	1,010,063
Environmental development	623,400	544,876	617,433
Leisure, parks and cultural	3,371,796	3,911,922	3,540,936
Water utility	2,559,099	2,320,018	2,263,121
Sewer utility	2,656,468	2,519,764	2,496,076
Other (note 11)	1,026,324	1,198,096	1,170,799
Total expenses	26,426,411	25,956,745	24,729,335
Annual surplus	3,483,355	9,207,137	596,641
Accumulated surplus, beginning of year	112,320,068	112,320,068	111,723,427
Accumulated surplus, end of year	\$ 115,803,423	\$ 121,527,205	\$ 112,320,068

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

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

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

	Budget 2023	Actual 2023	Actual 2022
	<i>(note 12)</i>		
Annual surplus	\$ 3,483,355	\$ 9,207,137	\$ 596,641
Acquisition of tangible capital assets	(15,782,701)	(9,656,248)	(5,185,527)
Amortization of tangible capital assets	(3,200,000)	3,348,334	3,169,432
Loss (gain) on disposal of tangible capital assets	-	(15,251)	108,740
Proceeds on disposal of tangible capital assets	-	46,491	159,062
	(15,499,346)	2,930,463	(1,151,652)
Acquisition of inventory of supplies	-	(320,899)	(276,131)
Acquisition of prepaid expense	-	(400,001)	(184,126)
Consumption of inventory of supplies	-	276,131	317,320
Use of prepaid expenses	-	184,126	131,487
Change in net financial assets	(15,499,346)	2,669,820	(1,163,102)
Net financial assets, beginning of year	6,931,680	6,931,680	8,094,782
Change in accumulated remeasurement loss	-	(34,988)	-
(Net debt) / Net financial assets, end of year	\$ (8,567,666)	\$ 9,566,512	\$ 6,931,680

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

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

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

	2023		2022	
Accumulated remeasurement gains (losses), beginning of year	\$	-	\$	-
Adjustment on adoption of new accounting standard		-		-
Unrealized losses attributable to:				
Foreign exchange		(34,988)		-
Net change in remeasurement losses for the year		(34,988)		-
Accumulated remeasurement losses, end of year	\$	(34,988)	\$	-

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

STATEMENT OF CASH FLOWS

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

	2023	2022
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 9,207,137	\$ 596,641
Items not involving cash:		
Amortization	3,348,334	3,169,432
Loss (gain) on disposal of tangible capital assets	(15,251)	108,740
Developer contribution of tangible capital assets	(736,819)	(334,891)
Change in employee future benefit liability	61,300	49,400
Actuarial adjustment on debt	(57,667)	(49,603)
Asset retirement expense on inactive assets	12,600	-
Unrealized remeasurement loss on foreign exchange	(34,988)	-
Changes in non-cash assets and liabilities:		
Property taxes receivable	16,765	(42,715)
Accounts receivable	(3,960,582)	(335,272)
Accounts payable and accrued liabilities	73,493	690,121
Deferred revenue	1,371,289	(1,243,229)
Inventory of supplies	(44,768)	41,189
Prepaid expenses	(215,875)	(52,639)
Net change in cash from operating activities	9,024,968	2,597,174
Capital activities:		
Proceeds on disposal of tangible capital assets	46,491	159,062
Cash used to acquire tangible capital assets	(8,231,429)	(4,850,636)
Net change in cash from capital activities	(8,184,938)	(4,691,574)
Investment activities:		
Investments	(1,990,580)	489,773
Net change in cash from investing activities	(1,990,580)	489,773
Financing activities		
Municipal Finance Authority debt reserve adjustment	(4,139)	(1,683)
Long-term debt repaid	(324,651)	(326,036)
Net change in cash from financing activities	(328,790)	(327,719)
Net change in cash and cash equivalents	(1,479,340)	(1,932,346)
Cash and cash equivalents, beginning of year	13,720,829	15,653,175
Cash and cash equivalents, end of year	\$ 12,241,489	\$ 13,720,829
Cash paid for interest	\$ 281,237	\$ 277,033
Cash received from interest	1,398,246	629,559

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

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements Year ended December 31, 2023

The Town of Sidney (the "Town") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and Community Charter. Its principal activities are the provision of local government services to residents of the Town. These include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

1. Significant accounting policies:

The financial statements of the Town are prepared by management in accordance with Canadian public sector accounting standards for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Town are as follows:

(a) Reporting entity:

The financial statements include a combination of the assets, liabilities, accumulated surplus, revenues and expenses of all of the Town's activities and funds. Inter-departmental balances and organizational transactions have been eliminated.

(b) Basis of accounting:

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

(c) Government transfers:

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when, and to the extent that, the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue.

(d) Property tax revenue:

Property tax revenue is recognized on an accrual basis using property assessment values established by BC Assessment for the current year and the tax rates established annually by Council. Tax revenues are recorded at the date property taxes are due. Assessments are subject to appeal and tax adjustments are recorded when the results of the appeals are known, and if required. An allowance for unresolved assessment appeals is also recorded.

(e) Deferred revenue:

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

Notes to the Financial Statements
Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Investment income:

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 deferred revenue balance.

(g) Financial instruments:

The Town's financial instruments consist of cash, investments, accounts receivable, accounts payable and accrued liabilities, deferred revenue and deposits, and debt. The carrying amount of these financial instruments approximates the fair value because they are short-term in nature or because they bear interest at market rates.

Financial instruments are recorded at fair value on initial recognition. Derivative instruments, equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Town does not hold any instruments that require fair value reporting and has not elected to record any other financial instruments at fair value.

Financial instruments recorded at cost are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method or effective interest rate method. All financial assets are assessed for impairment on an annual basis.

(h) Employee future benefits:

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

Leave benefits such as banked sick, discretionary, or vacation, along with retirement allowance benefits, are also available to the Town's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and benefit increases. The obligation under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(i) Asset retirement obligation:

An asset retirement obligation (ARO) is a legal obligation associated with the retirement of a tangible capital asset and is recognized when, as at the financial reporting date, all of the following criteria are met:

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

The recognition of an ARO liability increases the carrying value of the underlying asset, and is amortized over the asset's remaining useful life in accordance with the accounting policy outlined in note 1(j). Where the underlying asset is no longer in productive use, the obligation is recorded as an expense on the Statement of Operations and Accumulated Surplus.

Notes to the Financial Statements
Year ended December 31, 2023

1. Significant accounting policies (continued):

(i) Asset retirement obligation (continued):

AROs are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. In subsequent periods, the assumptions used in determining the ARO will be reviewed annually, and the value of the liability revised, when appropriate.

(j) Non-financial assets:

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

(i) Tangible capital assets

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

Assets	Useful Life - Years
Land improvements	10 - 75
Buildings and building improvements	15 - 100
Vehicle, machinery and equipment	3 - 50
Water and wastewater infrastructure	12 - 75
Road infrastructure	25 - 100

Amortization is charged annually. 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 Town's ability to provide services, or when the value of future economic benefits associated with the asset is less than the book value.

(ii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, with the value of the contribution recorded as revenue.

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

The Town does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

Notes to the Financial Statements
Year ended December 31, 2023

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(v) Leased tangible capital assets

Leased assets which transfer substantially all the benefits and risks incidental to ownership of property 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.

(k) Foreign currency:

Foreign currency transactions are translated into Canadian dollars at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains or losses, resulting from a change in the exchange rate that arises prior to settlement, are recognized in the Statement of Remeasurement Gains and Losses. In the period of settlement, realized gains or losses are recognized on the Statement of Operations and Accumulated Surplus, and the related unrealized balances are reversed from the Statement of Remeasurement Gains and Losses.

(l) Measurement uncertainty:

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

(m) Contaminated sites:

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The Town is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. Management has not identified any Town sites that meet the criteria of a contaminated site.

Notes to the Financial Statements
Year ended December 31, 2023

2. Change in accounting policies:

(a) PS 3450 – *Financial Instruments* and PS 2601 – *Foreign Exchange Translation*:

On January 1, 2023, the Town adopted Public Accounting Standards PS 3450 – *Financial Instruments* and PS 2601 – *Foreign Exchange Translation*. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments are included on the Statement of Financial Position and measured at either fair value or amortized cost, based on the characteristics of the instrument and the Town's accounting policy choices (see note 1(g)).

The standards were adopted prospectively.

(b) PS 3280 – *Asset Retirement Obligations*:

On January 1, 2023, the Town adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. This new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of certain tangible capital assets, and replaces PS 3270 – *Solid Waste Landfill Closure and Post-Closure Liability*.

The standard was adopted prospectively.

3. Deferred revenue and deposits:

The deferred revenues and deposits reported on the statement of financial position are comprised of the following:

	Balance at Dec 31, 2022	Recognized as revenue or refunded	Interest earned	Current year deferred	Balance at Dec 31, 2023
Prepaid property taxes	\$ 1,735,690	\$ (1,735,690)	\$ -	\$1,824,349	\$ 1,824,349
Prepaid fees and charges	288,900	(181,037)	-	484,137	592,000
Deferred developer contributions & deposits	1,979,572	(821,229)	11,000	1,344,472	2,513,815
Deposits on hold	771,031	(365,196)	-	810,483	1,216,318
	<u>\$ 4,775,193</u>	<u>\$ (3,103,152)</u>	<u>\$ 11,000</u>	<u>\$ 4,463,441</u>	<u>\$ 6,146,482</u>

4. Employee future benefit liability:

Sick leave and retirement benefits are available to Town employees; these benefits will require funding in future periods. The amounts recorded for these benefits are actuarially determined based on years of service and best estimates of retirement ages and expected future salary and wage increases. The obligations are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

Notes to the Financial Statements
Year ended December 31, 2023

4. Employee future benefit liability (continued):

Information regarding the Town's obligation for employee future benefits is as follows:

	2023	2022
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 840,400	\$ 904,200
Current service cost	84,000	97,700
Interest cost	39,100	24,200
Benefits paid	(42,700)	(61,800)
Actuarial adjustment	(10,900)	(123,900)
Balance, end of year	909,900	840,400
Unamortized net actuarial gain	223,600	231,800
Accrued employee benefit liability	\$ 1,133,500	\$ 1,072,200

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 10 years (2022 - 10 years).

The liabilities are based on an actuarial valuation of the Town's employee future benefits completed as at December 31, 2022 and extrapolated to December 31, 2023.

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

	2023	2022
Discount rates	4.10%	4.40%
Expected wage and salary increases	2.50%	2.50%

The Town funds the employee future benefits with tax revenues from the general operating fund. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$104,000 (2022 - \$111,200).

Municipal pension plan:

The Town and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer, defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2022, the Plan had about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Notes to the Financial Statements
Year ended December 31, 2023

4. Employee future benefit liability (continued):

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. The 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 actuarial valuation for the Municipal Pension Plan, as at December 31, 2021, indicated a \$3.761 billion funding surplus for basic pension benefits on a going concern basis.

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

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 costs to the individual employers participating in the Plan.

The Town paid \$700,259 for employer contributions (2022 - \$658,117) and Town employees paid \$632,611 for employee contributions (2022 - \$593,570) to the plan in fiscal 2023.

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 representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. Employers and employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was fully actuarially determined as at December 31, 2020, with an extrapolation prepared by the actuary as at December 31, 2022. At December 31, 2022, the total plan provision for approved claims was \$24,104,700 (2021 - \$23,012,000) and the provision for unreported claims was \$1,703,800 (2021 - \$1,703,800) with an accumulated deficit of \$3,026,543 (accumulated surplus in 2021 - \$1,664,646).

The Town paid \$105,452 for employer contributions (2022 - \$89,681) and Town employees paid \$105,452 for employee contributions (2022 - \$89,739) to the plan in 2023.

5. Debt:

- (a) The Town issues debt instruments through the Municipal Finance Authority (MFA), pursuant to loan authorization bylaws under authority of the Community Charter and the Local Government Act, to finance certain capital expenditures. Sinking fund contributions, managed by the MFA, are made annually. The actuarial allocations under the repayment structure are reflected as a reduction of the related long-term debt.

Notes to the Financial Statements
Year ended December 31, 2023

5. Debt (continued):

(b) The gross amount of debt, the combined amount of principal payments and actuarial allocation applied, and the net amount required to retire debt are as follows:

	Gross debt	Repayment and actuarial allocation	Net debt 2023	Net debt 2022
Short-Term and Other debt	\$ 165,617	\$ -	\$ 165,617	\$ 218,978
Long-Term Debt	11,500,000	2,015,966	9,484,034	9,812,991
	\$ 11,665,617	\$ 2,015,966	\$ 9,649,651	\$ 10,031,969

Under borrowing arrangements with the MFA, the Town is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town. At December 31, 2023 there were contingent demand notes of \$184,305 (2022 - \$184,305) and cash deposits of \$137,295 (2022 - \$133,156). The demand notes are not included in the financial statements of the Town; however, the cash deposits are included in the financial statements as MFA Debt Reserve Fund Cash.

(c) Principal repayments for current long-term debt are estimated as follows over the next five years and thereafter:

2024	\$ 271,291
2025	271,291
2026	271,291
2027	271,291
2028	271,291
2029-2050	8,127,579
	\$ 9,484,034

(d) Scheduled debt repayments may be suspended should sinking fund accumulations exceed original estimates.

(e) Total interest paid on debt during the year was \$281,237 (2022 - \$277,033).

(f) Existing long-term debt matures in annual amounts to the year 2050, and interest rates range from 1.28% to 3.39%. The weighted average interest rate for 2023 was 2.41% (2022 - 2.41%).

Notes to the Financial Statements
Year ended December 31, 2023

5. Debt (continued):

- (g) Included in other debt are Equipment Financing Loan Agreements with the Municipal Finance Authority totaling \$165,617 (2022 - \$218,978) to finance the purchase of tangible capital assets.

The loans are repaid in monthly payments of \$5,279 with maturity dates in 2025 and 2026. The loans are repayable on demand upon occurrence of any event of default. Interest is charged on a daily floating rate basis and compounded monthly. At year end, the floating rate was 5.63% per annum. Interest paid during the year was \$9,991 (2022 - \$4,863) and has been included in expenses on the Statement of Operations and Accumulated Surplus. As a condition of borrowing, the Town has issued promissory notes in the value of \$308,437 to the MFA.

6. Asset retirement obligations:

The Town's asset retirement obligation consists of two obligations as follows:

- (a) Asbestos obligation:

The Town owns and operates buildings that are known to contain asbestos and other hazardous materials, which represent a health hazard upon demolition or certain renovations. Following the adoption of PS 3280 – *Asset retirement obligations*, the Town recognized a liability in the amount of \$688,000, relating to the removal and disposal of the asbestos and other hazardous materials in these buildings, as estimated at January 1, 2023. The estimated liability remains unchanged on December 31, 2023. The recognition of asset retirement obligations involves an accompanying increase to the buildings and building improvements capital assets. This increase in capital assets is amortized on a straight-line basis over the remaining expected useful life of the related assets. These asset retirement activities are estimated to occur between 2028 and 2082.

- (b) Well closure obligation:

The Town is responsible for a number of historic wells. Provincial regulations require wells to be decommissioned, if not in use. The Town recognized a liability in the amount of \$12,600 relating to the decommissioning of historic wells, as estimated at January 1, 2023. The estimated liability remains unchanged on December 31, 2023. This obligation was expensed on the Statement Operations and Accumulated Surplus, as the underlying asset is no longer in productive use.

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

	Asbestos removal		Well closure		Total 2023
Asset retirement obligation, beginning of year	\$	-	\$	-	\$ -
Initial recognition		688,000		12,600	700,600
Asset retirement obligation, end of year	\$	688,000	\$	12,600	\$ 700,600

Notes to the Financial Statements
Year ended December 31, 2023

7. Tangible capital assets:

Cost	Balance at Dec 31, 2022		Additions	Disposals / Transfers		Balance at Dec 31, 2023	
Land	\$	14,291,854	\$	-	\$	-	\$ 14,291,854
Land improvements		16,925,695		15,531		23,496	16,964,722
Buildings and building improvements		30,210,360		808,718		(3,293)	31,015,785
Vehicles, machinery and equipment		12,775,598		881,280		(148,107)	13,508,771
Water and wastewater infrastructure		47,883,719		975,769		596,659	49,456,147
Roads infrastructure		34,042,851		1,632,910		234,842	35,910,603
Assets under construction		2,000,895		5,342,040		(1,121,585)	6,221,350
Total	\$	158,130,972	\$	9,656,248	\$	(417,988)	\$ 167,369,232

Accumulated Amortization	Balance at Dec 31, 2022		Amortization Expense	Disposals		Balance at Dec 31, 2023	
Land	\$	-	\$	-	\$	-	\$ -
Land improvements		7,043,411		456,505		-	7,499,916
Buildings and building improvements		9,350,272		816,134		(36,511)	10,129,895
Vehicles, machinery and equipment		5,918,829		759,862		(337,619)	6,341,072
Water and wastewater infrastructure		18,499,709		685,552		-	19,185,261
Roads infrastructure		12,390,620		630,281		(12,618)	13,008,283
Assets under construction		-		-		-	-
Total	\$	53,202,841	\$	3,348,334	\$	(386,748)	\$ 56,164,427

Net Book Value	Balance at Dec 31, 2022		Balance at Dec 31, 2023	
Land	\$	14,291,854	\$	14,291,854
Land improvements		9,882,284		9,464,806
Buildings and building improvements		20,860,088		20,885,890
Vehicles, machinery and equipment		6,856,769		7,167,699
Water and wastewater infrastructure		29,384,010		30,270,886
Roads infrastructure		21,652,231		22,902,320
Assets under construction		2,000,895		6,221,350
Total	\$	104,928,131	\$	111,204,805

(a) Assets under construction

Assets under construction in the amount of \$6,221,350 (2022 - \$2,000,895) have not been amortized. Amortization of these assets will commence when the assets are available for service.

(b) Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution and consist of water, wastewater and roads infrastructure. The value of contributed assets received during the year is \$736,819 (2022 - \$334,891).

Notes to the Financial Statements
Year ended December 31, 2023

7. Tangible capital assets (continued):

(c) Works of art and historical cultural assets

The Town manages and controls a limited number of works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at Town sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(d) Write-downs

The Town did not write down any tangible capital asset values during 2023 or 2022.

8. Accumulated surplus:

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

	2023	2022
Surplus:		
Invested in tangible capital assets	\$ 100,867,154	\$ 94,896,162
Surplus from operations	3,552,650	3,972,322
Total surplus	104,419,804	98,868,484
Reserves set aside by Council:		
Miscellaneous operating purposes	1,050,466	1,194,879
Miscellaneous capital purposes	490,060	427,368
Total reserves	1,540,526	1,622,247
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	329,956	477,104
Parkland acquisition	240,444	228,644
Off-street parking	404,197	377,340
Alternative transportation	424,410	431,173
Computer replacement	421,544	420,273
General equipment replacement	1,107,211	908,699
Fire equipment replacement	(432,319)	(451,523)
Water capital	16,224	77,188
Sewer capital	27,316	26,016
Infrastructure replacement	3,724,767	3,657,766
Amenities	1,343,043	1,807,667
Ferry terminal	1,312,327	1,185,240
Agreements	124,452	106,302
Climate action	161,341	121,091
Canada Community-Building Fund	2,404,667	2,323,201
Growing Communities Fund	3,820,000	-
Total reserve funds	15,429,580	11,696,181
MFA Debt Reserve Fund cash	137,295	133,156
	\$ 121,527,205	\$ 112,320,068

Notes to the Financial Statements
Year ended December 31, 2023

8. Accumulated surplus (continued):

The Town periodically receives Canada Community-Building Fund contributions from the federal government. These funds, along with interest earned on the funds, are recorded as revenues and transferred to reserves until they are used to fund future eligible expenditures under the Community Works Fund Agreement.

	2023	2022
Canada Community-Building Fund, beginning of year	\$ 2,323,201	\$ 2,027,084
Amounts received during the year	596,599	571,588
Interest earned restricted for projects	119,600	48,300
Expenditures	(634,733)	(323,771)
Canada Community-Building Fund, end of year	\$ 2,404,667	\$ 2,323,201

9. Net taxes available for municipal purposes:

	2023	2022
Taxes:		
Property taxes	\$ 29,337,505	\$ 26,858,812
Revenue in lieu of taxes	319,927	289,812
Other	1,065,290	1,051,379
	30,722,722	28,200,003
Less taxes on behalf of:		
Provincial Government School Authorities	8,421,067	7,502,181
Capital Regional District	2,965,529	2,829,788
Capital Regional Hospital District	948,407	925,103
BC Transit	1,701,664	1,340,530
BC Assessment Authority	265,324	240,861
Municipal Finance Authority	1,519	1,319
Business Improvement Area	337,000	328,881
	14,640,510	13,168,663
Net taxes available for municipal purposes	\$ 16,082,212	\$ 15,031,340

Notes to the Financial Statements
Year ended December 31, 2023

10. Government transfers:

Government transfers are recognized in the financial statements as revenue in the period the transfers are authorized and any eligibility criteria and stipulations have been met. The government transfers reported on the Statement of Operations and Accumulated Surplus are:

	2023	2022
Federal grants:		
Canada Community-Building Fund	\$ 596,599	\$ 571,588
Provincial grants:		
Federal / provincial capital grant programs	3,917,530	45,464
Small community protection grant	315,000	403,000
Traffic fine revenue sharing	86,000	103,060
Growing Communities Fund grant	3,820,000	-
Other provincial grants	432,414	174,780
	8,570,944	726,304
Regional and other local governments:		
Policing	424,836	439,092
Recreation	82,689	113,709
Other	10,000	10,000
	517,525	562,801
Total government transfer revenue	\$ 9,685,068	\$ 1,860,693

11. Other expenses:

	2023	2022
Grants to non-government organizations:		
Saanich Peninsula Memorial Park Society	\$ 385,364	\$ 365,600
Shaw Centre for the Salish Sea	205,000	205,000
Sidney Business Improvement Area Society	170,300	165,075
ArtSea Community Arts Council	54,800	44,800
South Island Prosperity Partnership	27,452	31,782
Peninsula Celebrations Society	12,000	12,000
Other	54,129	56,383
	909,045	880,640
Interest on prepaid taxes	82,011	20,867
Amortization and net loss on miscellaneous assets	7,906	119,545
Other	199,134	149,747
	\$ 1,198,096	\$ 1,170,799

Notes to the Financial Statements
Year ended December 31, 2023

12. Budget data:

The budget data presented in these financial statements is based upon the 2023-2027 Financial Plan adopted by Council on May 8, 2023. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 29,394,248
Add:	
Vancouver Island Regional Library Levy	852,518
Less:	
Sidney Business Improvement Area Levy	(337,000)
Total revenue	29,909,766
Expenses:	
Financial Plan	25,910,893
Add:	
Vancouver Island Regional Library Levy	852,518
Less:	
Sidney Business Improvement Area Levy	(337,000)
Total expenses	26,426,411
Annual surplus	\$ 3,483,355

13. Segmented information:

The Town of Sidney is a diversified organization that provides a wide range of services. These services have been captured in specific functions that have been separately disclosed in the segmented information as follows:

(a) General Government:

The General Government function is comprised of Legislative Services (Council and Committees) and General Administration, which includes Financial Management, Driver Services, Computer Services, Common Services, and other administrative activities related to the management of the Town.

(b) Protective Services:

The Protective Services function is comprised of five core services: Emergency Measures, Fire Protection, Police Protection, Court House, and Building & Bylaw Enforcement.

Emergency Measures captures the Town's emergency preparedness programs that ensure the Town is prepared and able to respond to the devastating effects of a disaster or major catastrophic event.

Fire Protection services are carried out by the Town's Fire Department, whose mandate is to provide critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies.

Police Protection services are performed under contract by the RCMP, who ensure the safety of lives and property in the Town through law enforcement, the maintenance of law and order, and the prevention of crime.

Building and Bylaw Enforcement promotes, facilitates and enforces general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community.

Notes to the Financial Statements
Year ended December 31, 2023

13. Segmented information (continued):

(c) Transportation Services:

The Transportation Services function is responsible for a wide variety of transportation and engineering services including Roads, Storm Drainage, Dock & Port Facilities, and Hydrants.

The Roads function's principal activity is the development and maintenance of the Town's roadway systems by the Public Works department or contracted service providers. The main services include Traffic Services consisting of street signs, street painting and traffic light control maintenance; Street Lighting; Road, Curb, Sidewalk and Cul-de-sac repairs and maintenance; Boulevard Trees; and Street Sweeping.

The Storm Drains service performs preventative maintenance and repairs to the Town's storm drain system, maintains and repairs storm drain ditches, and cleans catch basins.

Dock & Port Facilities captures maintenance of the Town's waterfront infrastructure.

Hydrant services pertain to the maintenance of existing and installation of new fire hydrants.

(d) Environmental Health Services:

Environmental Health Services is comprised of two functions: Solid Waste and Environmental Programs.

Solid Waste provides garbage, organics and compost collection and disposal services to residents and businesses through the Town's designated contractors.

Environmental Programs undertakes initiatives in the Town that address the impacts of climate change.

(e) Environmental Development Services:

Environmental Development Services administers zoning and related bylaws, and provides long range planning and policy services, as well as providing administrative support to the Building Inspection function.

(f) Leisure, Parks and Cultural Services:

Leisure, Parks & Cultural Services is comprised of four different functions: Parks, Library, Senior's Centre and Museums.

Parks is responsible for the maintenance, planning and development of Town park facilities such as ornamental gardens, natural ecosystems, and playgrounds for recreational and cultural enjoyment in a beautiful and safe environment. It also preserves and enhances green spaces on public lands.

Library services are specific to maintenance of the Town owned library building, and funding to the Vancouver Island Regional Library service to operate and manage the library.

The Town owned Shoal Activity Centre is operated by Beacon Community Services, who receive funding from the Town to provide senior related programs.

Museum services include providing space and funding to the Sidney Museum and Archives Society to manage and operate the Town's Historical Museum and Archives. The Town also provides space to the New Marine Centre Society for the operation of the Shaw Centre for the Salish Sea.

Notes to the Financial Statements
Year ended December 31, 2023

13. Segmented information (continued):

(g) Sewer and Water Utilities:

The Sewer Utility protects the environment and human health from the impacts of liquid waste generated as a result of human occupation and development in the Town. The Town operates a collection system, which transfers wastewater to a sub-regional treatment facility.

The Water Utility delivers clean, safe and aesthetically pleasing potable water, in accordance with the Provincial Drinking Water Protection Act, to the residents and businesses of the Town. The water is for the purposes of domestic and commercial consumption, irrigation and firefighting. The Town operates a water distribution system only, using treated water purchased in bulk from the Regional District.

(h) Other:

Other includes all revenues and expenses not captured in the above-named segmentation categories.

Other revenues include municipal taxes, provincial and federal government grants, traffic fine revenues, investment income, developer contributions, and other miscellaneous sources of revenue.

Other expenses include community support funding and grants, economic development, contingencies, and other miscellaneous expenses.

The resulting annual surplus is primarily used for budgeted transfers to reserves, and debt principal repayments.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. Property taxation and revenue in-lieu of taxes are apportioned to the functions based on year end operating results and funding of capital expenditures.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements, as disclosed in note 1.

Notes to the Financial Statements
Year ended December 31, 2023

13. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2023
Revenue:										
Taxes for municipal purposes	\$ 2,388,304	\$ 5,131,303	\$ 2,183,804	\$ 255,120	\$ 544,151	\$ 2,854,769	\$ 483,150	\$ 582,140	\$ 1,659,471	\$ 16,082,212
Fees, rates and service charges	400,471	438,505	893,040	586,309	30,725	154,627	2,095,316	1,969,959	176,757	6,745,709
Government transfers	60,938	607,679	3,907,675	205,488	-	85,689	-	-	4,817,599	9,685,068
Investment earnings	-	-	-	-	-	-	-	-	1,371,055	1,371,055
Gifts and contributions	-	-	684,029	-	-	54,128	18,250	35,000	253,638	1,045,045
Penalties and interest	-	-	-	1,760	-	-	6,025	6,206	144,321	158,312
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	57,667	57,667
Other	-	-	-	-	-	-	-	-	18,814	18,814
Total revenue	2,849,713	6,177,487	7,668,548	1,048,677	574,876	3,149,213	2,602,741	2,593,305	8,499,322	35,163,882
Expenses:										
Salaries, wages and benefits	1,920,286	2,894,810	1,888,705	231,856	488,200	1,323,185	518,581	321,018	2,546	9,599,187
Contracted services	843,676	2,554,922	600,244	710,659	46,191	1,317,493	41,313	1,853,371	792,364	8,760,233
Supplies and equipment	54,164	258,954	495,891	72,841	485	404,842	1,508,970	134,795	-	2,930,942
Debt interest	-	229,800	32,903	-	-	18,534	-	-	-	281,237
Other	115,497	5,902	136,553	22,800	-	353,607	905	6,268	395,280	1,036,812
Amortization	250,151	673,874	1,467,581	-	-	494,261	250,249	204,312	7,906	3,348,334
Total expenses	3,183,774	6,618,262	4,621,877	1,038,156	544,876	3,911,922	2,320,018	2,519,764	1,198,096	25,956,745
Annual surplus (deficit)	\$ (334,061)	\$ (440,775)	\$ 3,046,671	\$ 10,521	\$ 30,000	\$ (762,709)	\$ 282,723	\$ 73,541	\$ 7,301,226	\$ 9,207,137

Notes to the Financial Statements
Year ended December 31, 2023

13. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2022
Revenue:										
Taxes for municipal purposes	\$ 2,170,458	\$ 4,893,492	\$ 2,109,412	\$ 226,054	\$ 512,327	\$ 2,754,610	\$ 475,350	\$ 576,030	\$ 1,313,607	\$ 15,031,340
Fees, rates and service charges	464,663	575,307	1,032,059	589,949	42,931	133,854	2,090,302	1,767,129	177,496	6,863,690
Government transfers	-	461,883	35,024	143,082	12,175	130,881	-	-	1,077,648	1,860,693
Investment earnings	-	-	-	-	-	-	-	-	613,506	613,506
Gifts and contributions	100	-	316,721	-	-	52,966	14,850	10,320	260,495	655,452
Penalties and interest	-	-	-	2,051	-	-	5,436	6,145	86,115	99,747
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	49,603	49,603
Other	-	-	-	-	-	-	-	-	151,945	151,945
Total revenue	2,635,221	5,930,682	3,493,216	961,136	567,433	3,072,311	2,575,938	2,359,624	3,730,415	25,325,976
Expenses:										
Salaries, wages and benefits	1,807,987	2,744,608	1,357,701	229,722	529,484	1,281,897	557,684	369,973	8,039	8,887,095
Contracted services	696,529	2,774,929	707,289	711,012	86,620	1,278,553	27,137	1,842,038	760,048	8,884,155
Supplies and equipment	70,411	246,527	540,870	56,579	1,329	365,754	1,436,975	83,080	-	2,801,525
Debt interest	-	225,070	32,518	-	-	19,035	-	-	-	276,623
Other	11,699	65,737	112,155	12,750	-	115,089	1,168	-	391,907	710,505
Amortization	195,037	656,897	1,384,943	-	-	480,608	240,157	200,985	10,805	3,169,432
Total expenses	2,781,663	6,713,768	4,135,476	1,010,063	617,433	3,540,936	2,263,121	2,496,076	1,170,799	24,729,335
Annual surplus (deficit)	\$ (146,442)	\$ (783,086)	\$ (642,260)	\$ (48,927)	\$ (50,000)	\$ (468,625)	\$ 312,817	\$ (136,452)	\$ 2,559,616	\$ 596,641

Notes to the Financial Statements
Year ended December 31, 2023

14. Contractual rights:

The Town holds contractual rights arising from contracts and agreements that have been entered into with various parties that provide the Town with enforceable future payments. The estimated contractual rights under these contracts, for the years ending December 31 are as follows:

2024	\$	644,927
2025		654,006
2026		663,219
	\$	1,962,152

In addition to these contractual rights, the Town has agreements with several parties that provide for the recovery of operating costs, infrastructure construction costs, and payment of annual fees and commissions. The timing and extent of these future contributions vary depending on annual results, construction progress, and fair value of assets received at time of contribution, which cannot be determined with certainty at the financial statement date.

15. Financial risk management:

The Town is exposed to the following risks from its use of financial instruments in the normal course of operations: liquidity risk, credit risk, interest rate risk and foreign exchange risk. It is management's opinion that the Town is not exposed to significant risks, from its use of financial instruments, which could affect its ability to achieve strategic objectives.

(a) Liquidity risk:

Liquidity risk is the risk that the Town will not be able to meet its financial obligations as they become due. The Town manages its liquidity risk by continually monitoring cash flows from operations and anticipated investing and financial activities to ensure, as far as possible, that it will always have sufficient liquidity to meet obligations when due.

(b) Credit risk:

Credit risk is the risk of financial loss to the Town if a counter party to a financial instrument fails to meet their contractual obligations. The Town is exposed to credit risk through its receivables and investment holdings.

Receivables primarily consist of grants receivable from senior levels of government and other government organizations, and payment for cost sharing agreements with neighboring local governments. The risk of default on these receivables is very low. Receivables from other parties are monitored regularly and an allowance for potentially uncollectible amounts is established when needed.

Investments consist of guaranteed investment certificates, issued by either Canadian Chartered banks with a credit rating of AA or higher, or credit unions with 100% guarantee from the Credit Union Deposit Insurance Corporation of British Columbia.

Notes to the Financial Statements
Year ended December 31, 2023

15. Financial risk management (continued):

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Town is exposed to interest rate risk on its floating rate deposits and variable rate equipment financing loans. Maintaining an adequate level of readily accessible floating rate deposits is necessary for working capital and mitigates the Town's exposure to liquidity risk. The balance of the Town's variable rate equipment financing loans does not expose the Town to a significant level of interest rate risk, and is partially offset by the floating rate deposits.

(d) Foreign exchange risk:

Foreign exchange risk is the risk that the fair value of financial instruments will fluctuate due to changes in foreign exchange rates. The functional currency of the Town is the Canadian dollar, and the Town occasionally makes certain purchases denominated in U.S. dollars. The Town is exposed to foreign exchange risks on its U.S. dollar bank account; however, the exposure does not significantly impact the Town's operations.

16. Commitments and contingent liabilities:

(a) Under Section 412 of the Local Government Act, all member municipalities are jointly and severally liable for the indebtedness of the Capital Regional District in the event of default by the Regional District.

(b) The Town is a participant in the Municipal Insurance Association of British Columbia (MIABC). Should the MIABC pay out claims in excess of its accumulated reserves, it is possible that the Town, along with other participants, would be required to contribute towards the deficit. Management does not consider external payment under this contingency to be likely and therefore, no amounts have been accrued.

(c) The Town is a shareholder and member of Capital Regional Emergency Service Telecommunications (CREST) Incorporated, which provides centralized emergency communications and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

(d) The Town has an RCMP Premises Agreement with the District of North Saanich for the provision of accommodations for a joint RCMP detachment. The parties jointly own the building occupied by the policing detachment, in proportion to their relative contributions to the principal repayment of the debt incurred in order to construct the building. North Saanich's proportionate share is approximately 36%. The Agreement requires the Town to pay to North Saanich their proportionate share of the fair market value of the building should the parties eventually decide to terminate their agreement to provide joint accommodations.

Notes to the Financial Statements
Year ended December 31, 2023

16. Commitments and contingent liabilities (continued):

A market value study commissioned in 2011 places North Saanich's share at approximately \$615,000, and the RCMP Premises Agreement caps the maximum payout at \$715,000. However, there is no intention at this time to contemplate termination of the agreement.

- (e) The Town has entered into two agreements with the Saanich Peninsula Memorial Park Society, which commit the Town to the following payment streams until the current agreements expire in 2032, at which time the funding formula may be renegotiated.

Base Funding Agreement: The Town will provide annual funding to the Society in the amount of 2.5% of the previous year's municipal property tax revenues. The 2023 payment was \$321,136; and the 2024 payment will be \$345,808; future year payments are estimated to increase by 4% annually.

Parking Agreement: The Town uses a part of the Society's lands for the purpose of a public parking lot. This agreement commits the Town to pay the equivalent of 0.5% of the previous year's municipal property tax revenues. The 2023 payment was \$64,227; and the 2024 payment will be \$69,162; future year payments are estimated to increase by 4.0% annually.

The Town has also committed to assuming responsibility for grounds maintenance at the Mary Winspear Centre (the local theatre and conference facility owned and operated by MPS), beginning in 2017, at a maximum cost of \$25,000 per year, with an annual inflation factor being applied starting in the sixth year. The maximum commitment for 2024 will be \$27,732. This commitment is included in the Town's annual operating budget, under Leisure, Parks and Cultural Services.

- (f) The Town has entered into a Cost Sharing Agreement and a Memorandum of Understanding with the Victoria Airport Authority and the District of North Saanich for the design and construction of road improvements in the area of Beacon Avenue West, Galaran Road and Stirling Way in the Town of Sidney. In April 2023, the Town was informed that it had been successful in a grant application for the project. A \$5 million grant will reduce the net costs for all three parties. The Town's net contribution to the project is \$1,040,000, 40% of the approved project cost. Construction work for the project was in progress at December 31, 2023 and is expected to be completed during 2024.

17. Subsequent event:

On April 2, 2024, the Town acquired two parcels of land, in the amount of \$1,510,000, for the purpose of creating a new neighborhood park.

BC SAFE RESTART GRANT SCHEDULE

Year ended December 31, 2023
(Unaudited)

On November 19, 2020, the Town received a BC Safe Restart Grant from senior governments to help address the fiscal impacts of COVID-19. The grant was recognized as revenue when received and transferred to an operating reserve to fund future eligible expenditures.

	2023	2022
COVID-19 Safe Restart Grant, beginning of year	\$ 536,991	\$ 1,192,341
Eligible costs incurred:		
Revenue Shortfalls	(350,000)	(535,000)
Community support	(60,000)	(66,350)
Economic development	-	(54,000)
COVID-19 Safe Restart Grant, end of year	\$ 126,991	\$ 536,991

GROWING COMMUNITIES FUND GRANT SCHEDULE

Year Ended December 31, 2023
(Unaudited)

On March 23, 2023, the Town received \$3,820,000 in a one-time grant from the Provincial Growing Communities Fund. The grant was recognized as revenue when received and transferred to a statutory reserve to fund future eligible expenditures.

	2023
Growing Communities Fund Grant, beginning of year	\$ -
Received during the year	3,820,000
Eligible costs incurred	-
Growing Communities Fund Grant, end of year	\$ 3,820,000





STATISTICAL INFORMATION

TAXABLE ASSESSMENT OF LAND & IMPROVEMENTS

(in thousands)

	2023	2022	2021	2020	2019
Residential	\$5,529,668	\$4,934,945	\$4,024,970	\$3,946,941	\$3,874,967
Utilities	\$2,191	\$1,749	\$1,705	\$10,845	\$1,558
Light Industrial	\$77,082	\$71,057	\$66,826	\$63,620	\$54,727
Business / Other	\$678,485	\$531,693	\$482,939	\$621,550	\$465,196
Recreation / Non-profit	\$42,226	\$42,487	\$40,207	\$99,019	\$38,528
Farm	\$103	\$109	\$110	\$110	\$115
	\$6,329,755	\$5,582,040	\$4,616,757	\$4,742,085	\$4,435,092

Source: BC Assessment Revised Roll

NEW CONSTRUCTION

	2023	2022	2021	2020	2019
Residential *					
# of Permits	18	53	66	56	67
Permit Value	\$18,616,200	\$21,432,698	\$25,119,352	\$72,080,130	\$47,755,099
Net # of Units Added	64	54	83	222	186
Commercial *					
# of Permits	11	19	22	14	18
Permit Value	\$6,612,000	\$1,601,000	\$8,412,205	\$1,418,115	\$2,145,700
Total					
# of Permits	29	72	88	70	85
Permit Value	\$25,228,200	\$23,033,698	\$33,531,557	\$73,498,245	\$49,900,799
Taxes Generated from New Growth ^	\$435,878	\$222,049	\$146,000	\$100,632	\$161,823

* Residential construction includes new construction, additions and alterations. Commercial construction includes new construction and tenant improvements. Values reflect permits issued during the year.

^ Growth in the tax base occurs as construction projects are completed, whereas permit values are reported when issued. As such, there is usually a lag between the time permit values are reported and the time related tax revenues are realized.

Source: Town of Sidney Finance Department

PROPERTY TAX RATES & REVENUE

	2023	2022	2021	2020	2019
Municipal (per 1,000 of assessment)					
Residential	1.82207	1.92153	2.21707	2.18021	2.18807
Utilities	11.77585	13.16705	13.99903	13.33613	15.89108
Light Industrial	4.71031	5.26682	5.59961	5.33445	6.35643
Business / Other	4.71031	5.26682	5.59961	5.33445	6.35643
Recreation / Non-profit	4.06423	3.87543	3.98419	3.76004	3.97474
Farm	5.00778	4.78852	4.57099	4.45082	4.45086
Total - including School, Regional, Transit, etc (per 1,000 of assessment)					
Residential	3.65310	3.83752	4.49024	4.51802	4.41162
Utilities	29.43439	31.48955	33.02237	32.51265	35.64963
Light Industrial	10.80834	11.75169	12.79427	9.75609	13.58229
Business / Other	10.68870	11.61718	12.62157	9.62046	13.38150
Recreation / Non-profit	7.50986	7.35259	7.87914	6.09151	7.79849
Farm	14.01373	13.47699	13.21718	13.25443	13.20280
Municipal Property Tax Billings by Class					
Residential	\$10,075,442	\$9,482,647	\$8,923,640	\$8,561,184	\$8,478,699
Utilities	25,806	23,034	23,866	22,734	24,765
Light Industrial	363,081	374,244	374,200	338,523	347,866
Business / Other	3,195,872	2,800,332	2,704,272	2,651,057	2,956,983
Recreation / Non-profit	171,617	164,655	160,190	156,095	153,140
Farm	514	520	501	488	513
	\$13,832,332	\$12,845,432	\$12,186,669	\$11,730,081	\$11,961,965

Source: Town of Sidney Finance Department

PROPERTY TAX LEVIED & COLLECTED

	2023	2022	2021	2020	2019
Municipal	\$13,832,332	\$12,845,432	\$12,186,669	\$11,730,081	\$11,961,965
Parcel Taxes	1,064,675	1,050,355	1,024,370	955,500	948,935
School	8,421,574	7,508,357	7,318,355	5,805,993	6,810,452
Regional District	2,964,494	2,836,450	2,731,932	2,676,782	2,520,356
BC Transit	1,698,371	1,339,650	1,271,967	1,296,553	1,179,735
Hospital District	948,092	927,759	1,001,260	1,066,984	1,112,769
Regional Library	851,770	839,640	824,402	830,450	787,672
BC Assessment	265,059	240,765	234,211	235,273	212,727
Municipal Finance Authority	1,517	1,319	1,110	1,094	1,060
Business Improvement Area Society	337,001	334,877	320,861	313,033	305,399
Total Tax Levied	\$30,384,885	\$27,924,604	\$26,915,137	\$24,911,743	\$25,841,070
Total Current Taxes Levied	\$30,384,885	\$27,924,604	\$26,915,137	\$24,911,743	\$25,841,070
Current Taxes Collected	30,082,421	27,648,406	26,657,517	24,628,480	25,616,691
Percentage	99.00%	99.01%	99.04%	98.86%	99.13%
Arrears Taxes Outstanding, Beginning of Year	383,589	371,790	397,860	333,265	383,537
Arrears Taxes Collected	319,964	256,213	302,978	230,672	324,821
Percentage	83.41%	68.91%	76.15%	69.22%	84.69%
Total Tax Collections*	\$30,402,384	\$27,904,618	\$26,960,495	\$24,859,152	\$25,941,513

* Tax collections are inclusive of both current and prior year levies.

Source: Town of Sidney Finance Department

PRINCIPAL CORPORATE PROPERTY TAX PAYERS

Registered Owner	Primary Use	2023 Municipal Tax Levied	2023 Total Tax Levied
Looking Up Developments Ltd	Warehousing / Distribution	\$293,318	\$372,023
FHD Nominee Ltd	Residential Rental / Retail	143,277	144,170
Sidney Marina Co Ltd	Marina / Boat Storage / Charters	142,366	159,450
Slegg Developments Ltd	Manufacturing / Retail	126,110	142,230
0928818 BC Ltd	Hotel	88,052	127,368
Jim Pattison Developments Ltd	Retail	82,230	118,928
Damka Lumber & Development Ltd	Retail	81,656	118,094
Trillium (Sidney) Holdings Ltd	Senior Care Facility	77,115	104,758
Nicholson Manufacturing Ltd	Industrial / Electrical	73,676	104,177
Tait Bros Enterprises Ltd	Hotel	73,184	95,117
P & L Holdings Ltd	Hotel / Office / Retail	72,584	99,590
Emerald Isle Hotels Inc	Hotel	68,893	80,085
Sidney Pier Properties Ltd	Hotel	65,940	79,979
Port Sidney Marina Inc	Marina	63,764	79,835
Washington State Department Of Transportation	Ferry Terminal	63,425	81,987
West Sidney Business Park Ltd	Manufacturing / Office / Retail	63,106	61,596
Slegg Holdings Ltd	Office / Retail	56,752	61,635
Sherringham Holdings Ltd	Warehousing / Storage	54,143	69,829
R & M Scott Properties Inc	Manufacturing	50,473	68,957
1350178 BC Ltd	Office / Retail	48,498	65,078
360204 BC Ltd	Office / Retail	48,258	67,127
Shew Family Holdings 2022 Ltd	Retail	47,765	64,931
Beacon Community Association	Retail / Senior Care Facility	47,378	60,435
Sidney Terminal Holdings Ltd	Transportation / Freight	47,121	60,014
Quonset Green Inc	Retail	46,017	62,643
Megison Investments Ltd	Manufacturing	45,608	58,779
Hobo Holdings Ltd	Retail	43,939	55,814
Total		\$ 2,114,648	\$ 2,664,629

Source: Town of Sidney Finance Department

DEBT

(in thousands, except per capita data)

	2023	2022	2021	2020	2019
Gross Outstanding Debt	\$ 11,666	\$ 11,799	\$ 12,622	\$ 12,388	\$ 13,854
Less: Actuarial Allocation	2,016	1,767	2,215	1,840	1,547
Net Debt	\$ 9,650	\$ 10,032	\$ 10,407	\$ 10,548	\$ 12,307
Debt Servicing Cost ^	\$ 606	\$ 603	\$ 646	\$ 568	\$ 577
Population*	12,318	12,318	12,318	11,672	11,672
# of Households*	6,321	6,321	6,321	5,603	5,603
Net Debt per Capita	\$ 783	\$ 814	\$ 845	\$ 904	\$ 1,054
Net Debt per Household	1,527	1,587	1,646	1,883	2,196
Debt Servicing per Capita	\$ 49	\$ 49	\$ 52	\$ 49	\$ 49
Debt Servicing per Household	96	95	102	101	103

^ Debt servicing cost consists of principal and interest payments. \$175,000 of the debt servicing cost is supported by rental income from a component of the Community Safety Building, under long term lease for the operations of a local ambulance station. The remaining debt servicing cost is supported by property taxes.

* Based on 2016 and 2021 census.

Source: Town of Sidney Finance Department
& Statistics Canada

STATEMENT OF FINANCIAL INFORMATION

(in thousands)

	2023	2022	2021	2020	2019
Financial Assets	\$31,275	\$26,816	\$28,858	\$32,881	\$25,862
Financial Liabilities	21,708	19,884	20,763	25,252	20,699
Net Financial Assets (Net Debt)	\$9,567	\$6,932	\$8,095	\$7,629	\$5,163

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands)

	2023	2022	2021	2020	2019
Revenue	\$35,164	\$25,326	\$24,920	\$26,973	\$32,648
Expenses	25,957	24,729	23,299	23,024	21,938
Annual Surplus	9,207	597	1,621	3,950	10,710
Accumulated Surplus, Beginning of Year	112,320	111,723	110,102	106,152	95,442
Accumulated Surplus, End of Year	121,527	112,320	111,723	110,102	\$106,152

Source: Town of Sidney Finance Department

REVENUE & EXPENSES

(in thousands)

	2023	2022	2021	2020	2019
Revenue					
Property Taxes	\$16,082	\$15,031	\$14,322	\$13,791	\$13,980
Fees, Rates and Service Charges	6,746	6,864	6,845	6,671	6,504
Government Transfers	9,685	1,861	2,306	4,655	2,104
Investment Earnings	1,371	614	210	293	413
Gifts and Contributions	1,045	655	1,049	1,410	1,290
Penalties and Interest	158	100	111	66	117
Actuarial Adjustments on Debt	58	50	67	63	54
MFA Debt Reserve Fund Surplus	-	-	-	-	1
Other	19	152	10	25	8,185
	\$35,164	\$25,326	\$24,920	\$26,973	\$32,648
Expenses by Function					
General Government	\$3,184	\$2,782	\$2,616	\$2,486	\$2,432
Protective Services	6,618	6,714	6,181	6,311	5,605
Transportation	4,622	4,135	3,992	4,299	4,329
Environmental Health Services	1,038	1,010	857	770	777
Environmental Development	545	617	631	571	523
Leisure, Parks and Cultural	3,912	3,541	3,367	3,180	3,056
Water Utility	2,320	2,263	2,302	2,189	2,140
Sewer Utility	2,520	2,496	2,358	2,209	2,066
Other	1,198	1,171	995	1,008	1,011
	\$25,957	\$24,729	\$23,299	\$23,024	\$21,939
Expenses by Object					
Salaries, Wages and Benefits	\$9,599	\$8,887	\$8,330	\$7,537	\$7,479
Contracted Services	8,760	8,884	8,037	7,937	7,561
Supplies and Equipment	2,931	2,802	3,087	2,971	2,665
Debt Interest	281	277	285	347	408
Amortization	3,349	3,169	2,993	2,996	2,933
Other	1,037	711	567	1,236	893
	\$25,957	\$24,729	\$23,299	\$23,024	\$21,939

Source: Town of Sidney Finance Department

RESERVE FUNDS

	2023	2022	2021	2020	2019
Reserves Set Aside by Council					
Miscellaneous Operating Purposes	\$ 1,050,466	\$ 1,194,879	\$ 1,728,984	\$ 2,777,352	\$ 374,458
Miscellaneous Capital Purposes	490,060	427,368	601,578	757,422	944,720
	1,540,526	1,622,247	2,330,562	3,534,775	1,319,178
Reserve Funds Set Aside for Specific Purposes by Council					
Land Sale Proceeds	329,956	477,104	634,912	1,060,663	3,130,542
Parkland Acquisition	240,444	228,644	223,344	221,344	218,744
Off-Street Parking	404,197	377,340	854,725	886,525	587,385
Alternative transportation	424,410	431,173	-	-	-
Computer Replacement	421,544	420,273	493,599	420,805	374,466
General Equipment Replacement	1,107,211	908,699	1,166,610	1,004,356	1,386,609
Fire Equipment Replacement	(432,319)	(451,523)	613,853	449,753	296,153
Water Capital	16,224	77,188	186,127	187,055	301,955
Sewer Capital	27,316	26,016	25,416	25,216	24,916
Infrastructure	3,724,767	3,657,766	3,035,180	2,465,155	1,780,666
Water Rates Stabilization	-	-	-	66,667	104,547
Amenities	1,343,043	1,807,667	1,627,757	1,320,279	371,622
Affordable Housing	-	-	-	-	513,528
Ferry Terminal	1,312,327	1,185,240	982,940	975,618	746,827
Contingency	-	-	-	-	88,233
Agreements	124,452	106,302	199,227	185,143	172,426
Climate action	161,341	121,091	-	-	-
Gax Tax - Community Works Fund	2,404,667	2,323,201	2,027,084	1,392,588	1,088,964
Growing Communities Fund	3,820,000				
	15,429,580	11,696,181	12,070,774	10,661,167	11,187,582
Restricted Cash	137,295	133,156	131,473	141,097	108,429
Total Reserves	\$ 17,107,401	\$ 13,451,584	\$ 14,532,809	\$ 14,337,038	\$ 12,615,189

Source: Town of Sidney Finance Department

CAPITAL EXPENDITURES & FUNDING SOURCES

	2023	2022	2021	2020	2019
Expenditures					
General Government	\$ 268,259	\$ 226,762	\$ 64,392	\$ 467,892	\$ 123,889
Protective Services	183,087	1,417,159	555,240	420,628	5,815,618
Transportation	7,096,867	1,517,868	1,745,864	2,067,748	1,991,679
Environmental Development	-	-	-	13,082	10,479
Leisure, Parks and Cultural	529,947	318,831	635,595	1,361,661	174,303
Water Utility	404,426	555,280	152,042	187,794	106,129
Sewer Utility	62,989	586,503	257,851	285,931	21,493
	\$ 8,545,575	\$ 4,622,403	\$ 3,410,984	\$ 4,804,736	\$ 8,243,590
Funding Sources					
Property Taxes	\$ 70,998	\$ 134,617	\$ 196,086	\$ 125,278	\$ 195,267
Grants	3,978,340	52,036	31,357	54,664	-
Gifts & Donations	460	7,850	15,000	532,304	217,609
Gas Tax	634,734	271,770	496,548	241,756	1,090,334
Debt	-	-	265,000	43,437	-
Surplus from Operations	-	35,000	71,178	78,726	-
Agreements Reserve	-	20,694	-	11,083	24,561
Amenity Reserve	751,362	109,386	105,760	143,594	19,022
Computer Equipment Reserve	110,330	175,126	21,107	48,160	95,014
Ferry Terminal Reserve	120,914	-	1,678	2,209	361,074
Water Capital Reserve	64,965	113,339	2,628	118,500	3,223
General Capital Reserve	14,718	52,964	20,762	371,851	60,701
Infrastructure Reserve	2,092,900	1,255,213	1,194,376	1,017,211	756,281
Land Reserve	171,746	172,908	416,800	1,107,479	4,726,782
Off-Street Parking Reserve	-	33,333	80,000	-	-
Alternative Transportation Reserve	58,963	11,390	-	-	-
Vehicle Reserve	342,162	1,823,748	151,184	416,335	203,283
Water Rate Stabilization Reserve	-	-	67,267	39,179	73,140
Reserves Set Aside by Council - Capital	106,267	206,284	190,163	271,394	331,300
Offsite & Development Cost Charges	4,359	26,049	5,022	514	-
Climate Action Reserve	-	5,590	-	-	-
Other	22,357	115,106	79,068	181,062	86,000
	\$ 8,545,575	\$ 4,622,403	\$ 3,410,984	\$ 4,804,736	\$ 8,243,590

Source: Town of Sidney Finance Department

AMENITY CONTRIBUTIONS

	2023	2022	2021	2020	2019
Balance, Beginning of Year	\$ 1,807,667	\$ 1,627,757	\$ 1,320,278	\$ 885,150	\$ 373,569
Amounts Received	193,638	250,495	401,139	568,123	521,303
Expenditures	(751,362)	(109,386)	(105,760)	(143,594)	(19,022)
Interest Earned	93,100	38,800	12,100	10,600	9,300
Balance, End of Year	\$ 1,343,043	\$ 1,807,667	\$ 1,627,757	\$ 1,320,278	\$ 885,150

DEVELOPMENT COST CHARGES

	Drainage	Water	Sewer	Parkland	2023 Total	2022	2021	2020	2019
Balance, Beginning of Year	\$ 37,543	\$ 20,359	\$ 24,548	\$ 133,006	\$ 215,456	\$ 200,021	\$ 182,464	\$ 136,585	\$ 86,876
Amounts Received	-	5,432	238	11,515	17,185	10,535	19,110	50,415	47,509
Expenditures	-	-	-	-	-	-	(3,153)	(6,136)	-
Interest Earned	1,900	1,000	1,300	6,800	11,000	4,900	1,600	1,600	2,200
Waivers / Reductions	-	-	-	-	-	-	-	-	-
Balance, End of Year	\$ 39,443	\$ 26,791	\$ 26,086	\$ 151,321	\$ 243,641	\$ 215,456	\$ 200,021	\$ 182,464	\$ 136,585

PAYMENTS IN LIEU OF PARKING

	Off-Street Parking	Alternative Transportation	2023 Total	2022	2021	2020	2019
Balance, Beginning of Year	\$ 377,340	\$ 431,173	\$ 808,513	\$ 854,725	\$ 886,525	\$ 587,385	\$ 133,145
Amounts Received Through Development	30,000	30,000	60,000	10,000	40,000	288,300	457,100
Expenditures	(22,543)	(58,963)	(81,506)	(76,613)	(80,000)	-	(10,000)
Interest Earned	19,400	22,200	41,600	20,400	8,200	7,000	3,300
Balance, End of Year	\$ 404,197	\$ 424,410	\$ 828,606	\$ 808,512	\$ 854,725	\$ 886,525	\$ 587,385

NON REFUNDABLE TREE DEPOSITS

	2023	2022	2021	2020	2019
Balance, Beginning of Year	\$ 37,841	\$ 50,402	\$ 78,019	\$ 76,817	\$ 84,634
Amounts Received	16,500	14,250	9,000	12,000	23,250
Expenditures	(19,772)	(26,811)	(36,617)	(10,798)	(31,067)
Balance, End of Year	\$ 34,569	\$ 37,841	\$ 50,402	\$ 76,019	\$ 76,817

Source: Town of Sidney Finance Department

COMMUNITY SUPPORT PAYMENTS & PROPERTY TAX EXEMPTIONS

	Community Support Payments	Municipal Property Tax Exemption	2023 Total	2022 Total
676 Kittyhawk Air Cadets Squadron	\$ 1,000	\$ -	\$ 1,000	\$ 750
Army, Navy and Air Force Veterans of Canada	-	23,735	23,735	21,188
ArtSea Community Arts Council	54,800	655	55,455	45,466
BC Aviation Museum	3,000	-	3,000	2,500
Beacon Community Services	7,000	-	7,000	7,000
Bike Victoria Society	-	-	-	1,000
Broadmead Care Society	-	13,252	13,252	13,975
Capital Bike	1,000	-	1,000	-
Capital Regional District	-	-	-	10,000
Church of Jesus Christ of Latter Day Saints	-	15,273	15,273	13,321
Cycling Without Age Society	1,500	-	1,500	1,000
FED Urban Agriculture Society	500	-	500	500
Greater Victoria Rental Development Society	-	14,422	14,422	14,125
Memorial Park Society / Mary Winspear Centre	385,364	118,156	503,520	475,309
Mount Newton Centre Society	1,000	-	1,000	-
Navy League of Canada	1,500	-	1,500	-
Need 2 - Suicide Prevention	3,000	-	3,000	-
Need Crisis & Information Line	-	-	-	1,800
New Marine Centre Society	-	14,286	14,286	15,637
Peace Lutheran Church	-	9,113	9,113	8,127
Peninsula Celebrations Society	12,000	-	12,000	12,000
Peninsula Dry Grad Society	1,000	-	1,000	1,000
Peninsula Streams Society	5,000	-	5,000	5,000
Saanich Marine Rescue Society	5,000	-	5,000	5,000
Saanich Peninsula Christadelphians	-	4,147	4,147	3,655
Saanich Peninsula Pipe Band	1,000	-	1,000	500
School District #63	13,629	-	13,629	13,033
Shaw Centre for the Salish Sea	205,000	-	205,000	205,000
Shoal Centre / Beacon Community Services	-	54,809	54,809	57,378
Shoreline Medical Society	-	12,831	12,831	12,266
Sidney Arts and Media Society	-	-	-	800
Sidney Business Improvement Area Society	170,300	4,724	175,024	169,612
Sidney Guide & Scout Hall Society	1,000	5,674	6,674	5,313
Sidney Lawn Bowling Club	1,000	-	1,000	500
Sidney Lion's Food Bank	-	2,572	2,572	2,818
Sidney Museum and Archives Society	-	5,582	5,582	5,227
South Island Prosperity Project	27,452	-	27,452	31,782
St. Andrews Anglican Church / Abbeyfield Housing Society	2,000	11,990	13,990	9,184
St. Elizabeth Church	-	9,724	9,724	8,526
St. Paul's United Church	-	7,356	7,356	5,982
Torque Masters Car Club Association	-	-	-	1,000
Vancouver Island South Film & Media Commission	5,000	-	5,000	5,000
	\$ 909,045	\$ 328,301	\$ 1,237,346	\$ 1,192,274

Source: Town of Sidney Finance Department

STRATEGIC COMMUNITY INVESTMENT FUNDS PLAN & PROGRESS REPORT

Small Community Portion of SCI Funds		
Intended Use	Performance Targets	Progress made in reporting period
Use funding to support local government services to minimize tax rates increases.	Minimize tax rate increases	\$315,000 in Small Community Grants was received in 2023. These funds were used to fund general municipal services in 2023. A tax increase of 2.28% would have been required to generate the level of funding used in 2023.

Traffic Fine Revenue Portion of SCI Funds		
Intended Use	Performance Targets	Progress made in reporting period
Use funding to support police enforcement.	100% of funds are used to support police enforcement over the term of the SCI agreement.	\$86,000 in Traffic Fine Revenue was received in 2023. These funds were used towards the police operating budget in 2023.

Source: Town of Sidney Finance Department

NUMBER OF FULL TIME EQUIVALENT MUNICIPAL EMPLOYEES

2023	97
2022	93
2021	93
2020	86
2019	86

Source: Town of Sidney Finance Department

EMPLOYMENT BY OCCUPATIONAL CLASSIFICATION

Occupation - National Occupational Classification (NOC)	2021 Census	2016 Census
Legislative and senior management occupations	1.1%	8.7%
Business, finance and administration occupations	18.6%	16.1%
Natural and applied sciences and related occupations	7.3%	7.5%
Health occupations	8.4%	6.6%
Education, law and social, community and government services	11.0%	11.3%
Art, culture, recreation and sport	2.8%	2.8%
Sales and service occupations	28.2%	27.2%
Trades, transport and equipment operators and related occupations	17.7%	14.1%
Natural resources, agriculture and related production occupations	1.5%	1.7%
Occupations in manufacturing and utilities	2.4%	2.3%
Other	1.0%	1.7%
	100.0%	100.0%

Source: Statistics Canada



Access to Service Routes
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