

Sidney
by the sea

2022



TOWN OF SIDNEY
BRITISH COLUMBIA

Year ended December 31, 2022



SET, TINES

Sidney

The Town of Sidney Annual Report for the 2022 year was prepared by Administration and Corporate Services departments, with contributions from staff throughout the organization.

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DO NOT ENTER

SET TINES
parade

MNS The J

Atticus

Bader
Boulevard

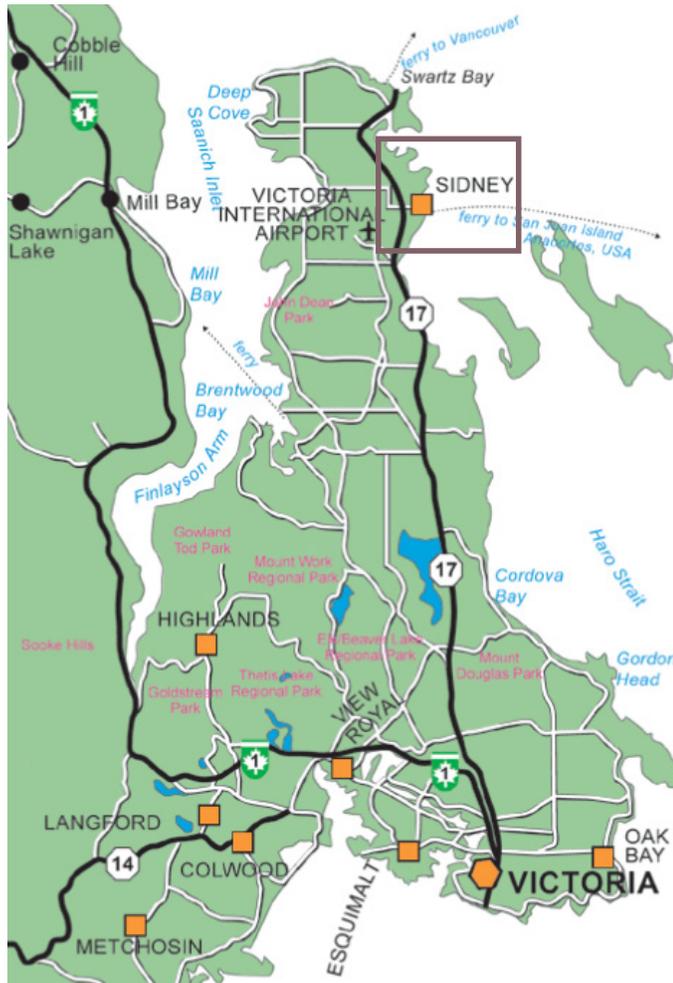
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COMMUNITY PROFILE & ANNUAL HIGHLIGHTS



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.

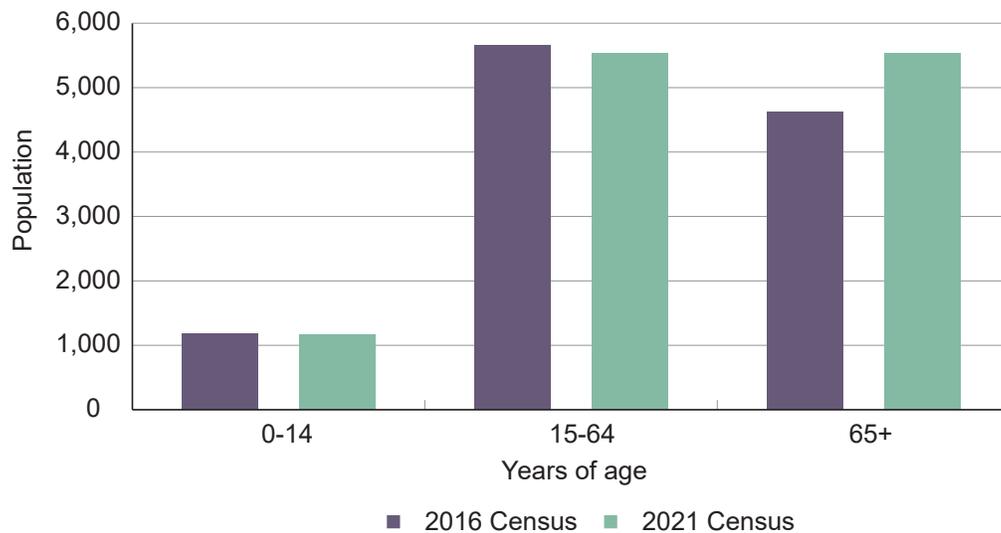
The Town of Sidney's small geographic area provides for a dense mix of businesses, housing, employment, services, and recreation in close proximity to each other. Sidney's employment sector is generally made up of industrial, retail, and healthcare services. The climate is one of the mildest in Canada,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

DEMOGRAPHIC INFORMATION



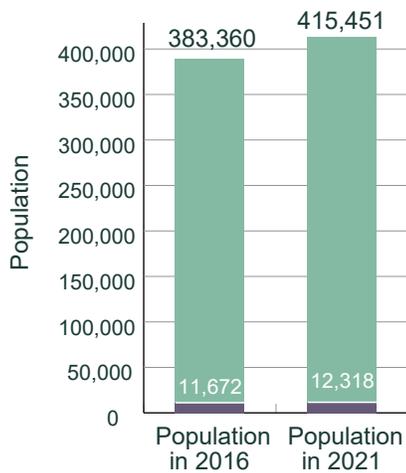
Source: Census 2021

Sidney's age distribution



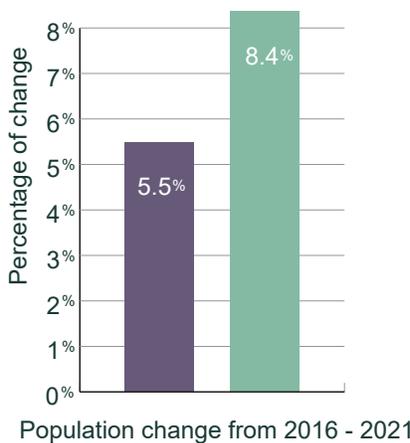
Source: Census 2021

Population in 2016 and 2021



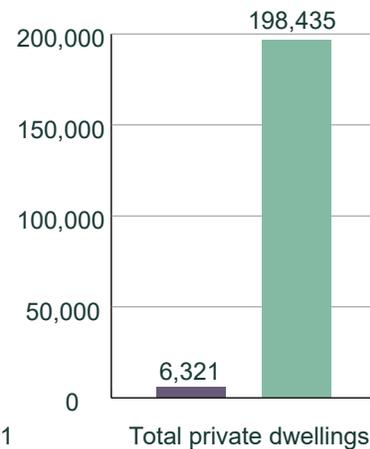
■ Sidney ■ Capital Regional District

% change in population



■ Sidney ■ Capital Regional District

Total private dwellings



■ Sidney ■ Capital Regional District

Source: Census 2021



MESSAGE FROM THE MAYOR

On behalf of Sidney Council and the Town of Sidney, I am pleased to present our 2022 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 2022, along with many of the initiatives planned for 2023.

This report is based on the outcomes from the 2019-2022 Strategic Plan that was developed and updated annually by the previous Council. I want to thank the previous Council for their work and service to the community during their four-year term, including the completion of an updated Official Community Plan. The plan was developed with extensive community engagement and now serves as a shared vision for Sidney’s future that current and future Councils can turn to for guidance.

The new Council began its four-year term in early November. We have embarked on this new term by developing a 2023-2026 Strategic Plan which will continue to evolve each year. The plan identifies select new priorities while also working toward the completion of initiatives that were already underway to ensure continuity.

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 fully 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 for 2022 and key initiatives for 2023.

Mayor Cliff McNeil-Smith

June 1, 2023

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

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

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)



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

It is a pleasure to present the Town of Sidney's 2022 Annual Report and reflect on all that has been accomplished this past year. This report captures the work undertaken by the Town in 2022 to deliver on the outgoing Council's 2019-2022 Strategic Plan. The report also looks ahead to initiatives planned for 2023, set by the current Council which took office in November.

I want to acknowledge the hard work and dedication of the previous Council who concluded their four-year term this past fall with an updated Official Community Plan and Climate Action Plan in place. Both plans were shaped by extensive community input. Today, these plans provide a valuable roadmap for community members, staff, and Council. Knowing where we are headed helps us weigh priorities and make decisions that affect our future.

In late 2022, Town staff worked closely with current Council members to orient newly elected officials to ongoing municipal business, projects, and processes. I appreciate the time Council members invested in learning, and also building respectful relationships with staff and one another. That effort has helped us hit the ground running with a long list of initiatives planned for the year ahead, including building a roundabout on Beacon Avenue West and adding a new public washroom along Sidney's downtown waterfront.

None of this would be possible without a team of skilled and committed employees. I am grateful to staff for all the essential services they provide to the community, and the transparent and careful way they manage municipal resources. With the recent approval of a new Collective Agreement for CUPE Local 374, we can continue to enjoy the stability of a strong team of municipal workers.

I would also like to extend my thanks to the passionate citizens, business leaders, volunteers, and community organizations that make Sidney a vibrant community. As we embraced the return of major community events in 2022, I was reminded of how fortunate I am to serve a community with so much heart.

Randy Humble
Chief Administrative Officer
June 1, 2023



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, 2022. 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, 2022.

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 detailed in the 2022 Financial Statements, the Town's financial results remained positive. Although Net Financial Assets decreased compared to 2021, it was more than offset by the net increase in capital assets. The 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 better than anticipated outcomes in Water Operating, and worse than anticipated in Sewer 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 sufficient accumulated surplus 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 ensure the Town's long-term financial sustainability. Facing new challenges each day, the Town is evolving to find innovative ways of providing the highest possible level of service, while controlling costs. 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, 2023

STRATEGIC PLAN & PROGRESS REPORT

Annual Planning Framework

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

In early 2022, Town of Sidney Council undertook a strategic planning session to develop the 2022-2026 Strategic Plan, which will continue to be updated on an annual basis. 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 & Wellbeing

Pages 11-16 review the progress we made in 2022 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.

AFFORDABLE HOUSING

2022 Progress:

- Completed review of Short-Term Vacation Rentals.
- Completed update to Official Community Plan (OCP) with policies to use zoning and other regulatory tools to encourage the provision of affordable housing, including the provision of bonus density when affordable housing is provided in a new development.

Planned Priorities & Actions:

- 2023: Continue working with non-profit housing providers and the development community to encourage new affordable housing supply in Sidney.
- Ongoing: Implement the updated policies and recommendations in the OCP related to affordable housing.

VEHICLE PARKING

2022 Progress:

- Began comprehensive downtown Sidney parking study, including a review of impacts of residential parking requirements downtown on on-street parking availability.

Planned Priorities & Actions:

- 2023: Complete comprehensive downtown Sidney parking study and start planning implementation of priority actions identified by Council.

COMPREHENSIVE REVIEW AND UPDATE OF THE OFFICIAL COMMUNITY PLAN

2022 Progress:

The updated Official Community Plan was adopted by Council on June 27, 2022. As part of this work, the Town:

- Undertook multiple community engagement activities, including an Open House and community survey, to gather input on a draft Official Community Plan.
- Held four OCP Review Advisory Committee meetings to help guide the project.

Planned Priorities & Actions:

- 2023: Undertake comprehensive update to the Zoning Bylaw to reflect updated OCP.





ENVIRONMENTAL STEWARDSHIP

The Town will be stewards of our environment.

ENVIRONMENTAL PROTECTION

2022 Progress:

- Continued to work with Transport Canada to assess potential contaminants downstream of the Reay Creek Pond.
- Expanded Environmentally Sensitive Areas along Sidney's shoreline in Official Community Plan, along with stronger policies for environmental protection within Environmentally Sensitive Areas.

Planned Priorities & Actions:

- 2023: Continue working with Transport Canada to assess potential contaminants downstream of the Reay Creek Pond and remediate if appropriate.
- 2023: Undertake planning for adaptation to Sea Level Rise.
- 2023: Support Peninsula Stream's proposed improvements to the Mermaid Creek estuary.
- 2024: Undertake a shoreline ecological inventory and protection plan.

CLIMATE ACTION MITIGATION INITIATIVES

2022 Progress:

- Following a public review process, an updated Climate Action Plan was approved.
- Renewed \$50,000 commitment as a municipal partner in the CleanBC Better Homes rebate program. Provided 26 municipal top-up rebates for residents who switched to an electric heat pump from natural gas or oil.
- Planted more than 300 trees, gave away more than 50 trees, and continued to host annual Tree Appreciation Day.

Planned Priorities & Actions:

- 2023: Continue CleanBC Better Homes municipal top-up rebate



2022 Tree Appreciation Day at Peter Grant Park



ECONOMIC VIBRANCY

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

SUPPORT BUSINESS COMMUNITY THROUGH THE COVID-19 PANDEMIC

2022 Progress:

- Implemented perpetual business licence program.

STRENGTHEN RELATIONSHIP WITH THE BUSINESS COMMUNITY INCLUDING THE SIDNEY BUSINESS IMPROVEMENT (BIA) AREA SOCIETY AND SAANICH PENINSULA CHAMBER OF COMMERCE

2022 Progress:

- Undertook the renewal process for the downtown Sidney Business Improvement Area Society for another five-year term.

Planned Priorities & Actions:

- Ongoing: Continue to foster relationships with the business community including the Sidney Business Improvement Area Society, Saanich Peninsula Chamber of Commerce, and South Island Prosperity Partnership.

COMPLETION OF ECONOMIC DEVELOPMENT PLAN

2022 Progress:

- Draft strategy was presented to Council for review and direction.

FUTURE PRIORITIES & ACTIONS FOR ECONOMIC VIBRANCY

- 2023: Return of Sidney Thursday Night Market to Beacon Avenue
- 2023: Finalize Economic Development Plan and begin implementation of key priorities.





COMMUNITY ENGAGEMENT

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

BUILD MEANINGFUL PUBLIC ENGAGEMENT INTO ALL KEY TOWN INITIATIVES

2022 Progress:

- Issued 35 news releases to keep community members and regional media informed about municipal developments and decisions.
- Undertook community engagement for multiple projects including:
 - OCP Update: Review of draft plan,
 - Climate Action Plan: Review of draft plan,
 - Economic Development Plan: Engaged business community,
 - Active Transportation Plan: Initial phase,
 - Sidewalk expansion on Beacon Avenue near First Street.

Planned Priorities & Actions:

- 2023: Undertook community engagement for multiple projects including:
 - Active Transportation Plan,
 - Redesign of corporate logo,
 - Playground equipment at Brethour Park.

COLLABORATION WITH NEIGHBOURING LOCAL GOVERNMENTS

2022 Progress:

- A Memorandum of Understanding was signed between the Town of Sidney, District of North Saanich, and Victoria Airport Authority to work together to build a roundabout at Beacon Avenue West.
- Cost-sharing agreements were renewed for four shared services with North Saanich.
- Throughout the year, regular meetings and communication occurred between the Mayors of the neighbouring local governments and between staff members.

IMPROVE RELATIONSHIP WITH WSÁNEĆ FIRST NATIONS

2021 Progress:

- Local WSÁNEĆ artist was commissioned to design seasonal banners for Beacon Avenue with SENĆOTEN name for the area: SET, TINES.
- Town sponsored South Island Powwow on National Day for Truth and Reconciliation.
- Finalized wording for Welcome Post in Beacon Park with local carvers.
- Established policies in the Official Community Plan to foster reconciliation with the WSÁNEĆ First Nations.

Planned Priorities & Actions:

- Ongoing: Continue to consider opportunities to make meaningful contributions to WSÁNEĆ projects.



Community members gather at a pop-up information session to review the draft Official Community Plan.



ORGANIZATIONAL EXCELLENCE

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

2022 Progress:

- Completed review of the Town's property tax distribution policy, which will narrow gap between tax rates paid by commercial and residential properties.
- Established Peninsula Accessibility Advisory Committee and held first four meetings.
- Began redesign of website to improve navigation and accessibility.

FUTURE PRIORITIES & ACTIONS FOR ORGANIZATIONAL EXCELLENCE

- 2023: Implement Town's property tax distribution policy.
- 2023: Launch redesigned website.
- 2023: Continue to explore alternative formats of communication for persons with disabilities.
- 2023: Review and update of Development Cost Charge bylaw.
- 2024: Undertake Citizen Satisfaction Survey.
- 2025: Establish a policy and undertake Review of Council Remuneration.



COMMUNITY INFRASTRUCTURE

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

2022 Progress:

- Ongoing review of Civic Sites.
- Ordered new public washroom facility to replace and upgrade existing Fourth Street washrooms.
- Continued designing new public washrooms in the downtown waterfront area.

Planned Priorities/Actions:

- 2023: Prepare Civic Sites Approach Report for planning upgrades or replacements of Town Precinct.
- 2023: Complete installation of new public washrooms in downtown Sidney (Waterfront location, and upgraded Fourth Street washrooms).
- 2023: Complete detailed infrastructure design for the West Sidney Local Area Plan.
- 2024: Review options for Library Services.

DEVELOP A MULTI-MODAL ACTIVE TRANSPORTATION PLAN

2022 Progress:

- Initiated Active Transportation Plan development with initial public input period

Planned Priorities/Actions:

- 2023: Complete Active Transportation plan with community engagement and begin working toward priority improvements
- 2023: Explore reducing maximum speed limit through Sidney



Site of the future waterfront washroom including a Changing Places facility.



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

2022 Progress:

- Increased Sidney Fire Department resources to enable ongoing 24/7 staffing of the Fire Hall.

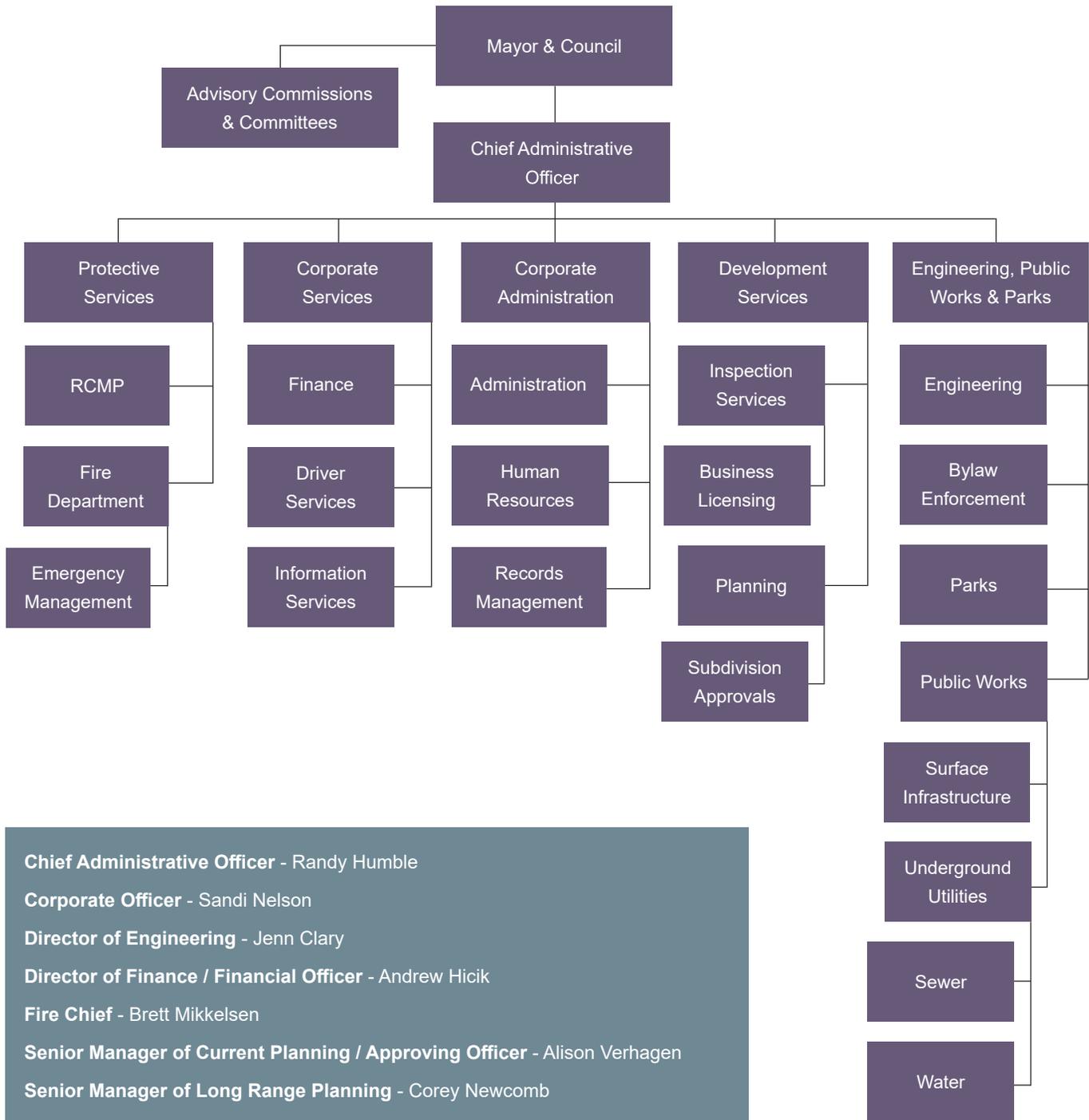
FUTURE PRIORITIES & ACTIONS FOR COMMUNITY SAFETY, HEALTH & WELL-BEING

- 2023: Analyze potential options for provision of post disaster potable water distribution system to Sidney residents, with consideration also given to water for firefighting.
- 2023: Plan and conduct a disaster response exercise.



Firefighters participate in marina pump training at Van Isle Marina .

ORGANIZATIONAL CHART & APPOINTED OFFICERS





ADMINISTRATION

The Administration Department, under the leadership of the Chief Administrative Officer, is responsible for overseeing all municipal operations. The Department is responsible for corporate administration under the Community Charter and the Local Government Act, providing legislative and administrative support to Mayor and Council, as well as public communications and 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.
- Administering leases/agreements for Town operations and facilities.
- Coordinating human resources services for the organization.
- Organizing Town hosted events and liaison with other event organizers.
- Conducting local government and school trustee elections.

2022 Highlights

- Established new Manager of Human Resources position.
- Conducted the 2022 Local Government Election.
- Undertook Council orientation.
- Completed development of an Economic Development Plan.
- Initiated update of Town's website.
- Initiated civic site analysis for Town Precinct (Town Hall, Driver Services/Courthouse, etc.).
- Established new tri-municipal accessibility advisory committee.

Administration at a Glance - 2022



2023 Initiatives

- Complete redesign of Town’s website.
- Initiate review of options for library services.
- Continue implementation of an electronic documents records management system.
- Recommend lead entity for implementation of Economic Development Plan.
- Complete civic site analysis for Town Hall precinct.
- Work with Council regarding future of Sidney Ferry Terminal and lease with Washington State Ferries.



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),
- Human Resources (jointly with Administration).

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

Driver 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 services, products, and information. The department also issues joint Driver's Licence/BC Services Cards.

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.

Human Resources

Human Resources is responsible for the attraction, selection, training, assessment, and retention of employees, while also overseeing organizational leadership and culture, and ensuring compliance with employment and labour laws.

2022 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 include:

- Completed the review of the Town's property tax distribution policies.
- Undertook the renewal process for the downtown Sidney Business Improvement Area for an additional five-year term.
- Renewed a series of cost-sharing agreements with the District of North Saanich for shared services.
- 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.
- Reported to Council on a perpetual business licence program.
- Assisted in the development of an Economic Development Strategy for the Town.
- Provided financial orientation for the incoming Council, following the October 2022 election.
- Continued expansion of online services for Town

- 2022 municipal taxes per average residence: \$135/month (2021: \$130/month)
- Total municipal taxes collected in 2022: \$12.85 million (2021: \$12.19 million)
- Total municipal expenditures in 2022: \$24.7 million (2021: \$23.3 million)

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

- Implement the Town's property tax distribution policy to narrow the gap between tax rates paid by commercial and residential properties.
- Finalize funding arrangements for the jointly-funded Beacon Avenue West Roundabout project.
- Assist with the completion of the renewal and upgrade of the Town's website.
- Continue the enhancement of asset and work management software, adding more functionality each year.
- Collaborate with Engineering & Works on enhanced Asset Management practices.
- 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.
- Prepare for changes to financial reporting standards, as prescribed by the Public Sector Accounting Board.
- 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.
- Work with Engineering to review and update the Town's Development Cost Charges.
- Assist with an evaluation of the lifecycle of major Town facilities.
- Initiate a review of the Town's tax exemption policies prior to renewals in 2024.
- Continue enhancements to Town's GIS capabilities, including implementation of a community map for developer and public use.
- 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 Electronic Document Management system.
- Review the Town's Risk Management policies.



DEVELOPMENT SERVICES

New Dwelling Units Constructed in 2022



Multi-family	48
Two-family	2
Single-family	2
Single-family to two-family (including adding a legal suite)	7
Total new units	59

The Development Services Department provides service in the areas of municipal planning, building permits and inspections, and business licencing. 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. Implementing the OCP through the Zoning Bylaw guides 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.

Permits Issued in 2022



Building permits issued (with construction value)	72
Plumbing permits	70
Fire Department & solid fuel permits	2
Demolition Permits	10
Blasting Permits	0
Excavation Permits	2
Total permits issued	156
Total construction value	\$23,383,323

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 2022, the Town issued 857 Business Licences, including 110 to new businesses. Also in 2022, the Town moved to a one-time fee system and removed the requirement for annual business licence renewal fees, provided that businesses submit updated information to the Town each calendar year.

2022 Highlights - Department Projects

The following initiatives were undertaken in 2022:

Official Community Plan (OCP) Update:

This significant project was one of Council's primary strategic priorities for their term. An OCP is a Town bylaw that sets out the broad objectives and policies that guide decisions on planning, land use, and provision of municipal services in the community. It also establishes a degree of certainty about the location and nature of community change to residents and landowners while providing a framework for guiding and managing future development and growth. The process to update Sidney's OCP included a wide range of community engagement events and collaboration with stakeholders. The new OCP, Bylaw No. 2240, was adopted by Council following a Public Hearing on June 27, 2022 and reflects the values and shared vision of community members.

Utility Box Beautification Project:

In 2022, the Town of Sidney beautified several BC Hydro transformers with graffiti-resistant vinyl wrap. This ongoing program is intended to beautify Sidney's streets and bring local art to utility boxes located in Downtown Sidney as well as several pump station locations around town. In addition to assisting beautification efforts, the program seeks to promote and celebrate established and emerging artists from the Saanich Peninsula. Sidney acknowledges the support of the BC Hydro Beautification Program for this initiative.

Development of a new Climate Action Plan:

Another of Council's strategic priorities was to update the Town's 2011 Climate Action Plan (CAP). A Climate Action Plan is a strategic plan to reduce energy consumption and greenhouse gas (GHG) emissions throughout the community (including from Town operations) and to guide the Town in how it can adapt to local climate change risks. The process to update the CAP began in June 2021 and a new updated plan was approved by Council on July 18, 2022.

Other 2022 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.

2022 Highlights - Planning and Building Applications

Much of the Development Services department's time continued to be spent monitoring the construction of several major developments, drafting a new Official Community Plan, and reviewing and processing a number of permit applications for new residential and commercial development in the Town. The Town saw somewhat reduced numbers of new residential units approved for construction in 2022, following on the high volume of development applications in 2017 - 2019 and the volume of construction in 2019-2021.

The following are some of the major development proposals approved by Council in 2022:

2270 Harbour Road: A Development Permit for the construction of a mixed use marine industrial development consisting of four buildings containing marine industrial/commercial space and a total of four dwelling units.

9989 and 9991 Fifth Street: A Development Permit for the construction of a four storey multi-unit residential development containing 19 apartment dwellings.

9700 Third Street: A Development Permit for the construction of a four-storey mixed use commercial-residential development containing ground floor commercial space and one dwelling unit.

2023 Initiatives

- Comprehensive update to the Zoning Bylaw;
- Support development of Active Transportation Plan led by Engineering.



The Town continued to beautify utility boxes with local artwork.



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 on numerous proposals. 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, operation and maintenance of municipal buildings, and collection of garbage from public waste receptacles. Public Works is constantly supporting other Town departments and divisions, keeping the Town running smoothly.

The Parks Division

The Parks Division is responsible for the upgrade and maintenance of all 28 municipal parks, including Rotary Park located in North Saanich on airport lands through a cost sharing agreement with the District of North Saanich. The Parks Division also maintains 17 beach access points, and administers the downtown beautification and banner programs, and annual Christmas light display. Parks staff are responsible for planting and maintaining trees and gardens throughout the Town, inspecting playground equipment, and installing and maintaining irrigation systems in public spaces.

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.

2022 Highlights

- Completed Ardwell storm drain outfall replacement and associated surface works.
- Installed a new downtown bike shelter.
- Held the Town's Tree Appreciation Day in Peter Grant Park.
- Continued to investigate inflow and infiltration in sanitary sewer mains.
- Completed Tulista Boat Launch float replacement.
- Completed the Eighth Street sidewalk extension and tree planting.
- Improved the sidewalk at Eastview Dr and Bevan Ave.
- Replaced watermains on Amelia Ave and Henry Ave.
- Completed RCMP security fencing.
- Replaced the roof on the Tourist Info Centre building.
- Installed sidewalk on Orchard Ave between Second St and Third St.
- Installed sidewalk on Brethourpark Way to complete pedestrian link.
- Paved Parking Lot C at Fourth St and Sidney Ave.
- Completed improvements to Seaport PI traffic circle.
- Added three pedestrian-activated crosswalks.
- Brought forward a new bylaw adjudication system.
- Completed Wellness Park resurfacing.
- Completed Rotary Park irrigation improvements.



The Wellness Park was resurfaced with a smooth surface designed to cushion falls.

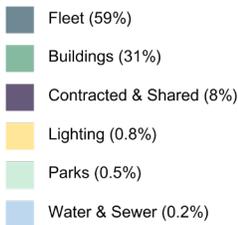
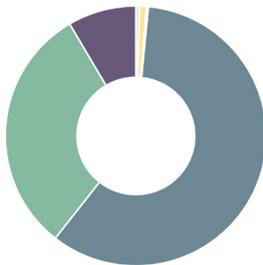
2023 Initiatives

- Complete Bevan Fishing Pier recoating.
- Complete path resurfacing at Melville Park.
- Install playground equipment at Brethour Park.
- Pump station improvements.
- Continue working with VAA and District of North Saanich to construct the Beacon Ave West Roundabout and Stirling Way realignment.
- Complete trenchless design and tender trenchless replacement of various underground utilities.
- Replace watermain on Harbour Rd.
- Complete Galaran Rd reconstruction, including drainage and water works, new sidewalks and repaving the road.
- Complete safety improvements of Town Hall electrical service.
- Complete construction of new public washrooms downtown, including a Changing Places washroom on the waterfront.
- Finalize the Active Transportation Plan.
- Complete condition inspections of the Beacon Wharf.
- Continue Asset Management planning process.
- Replace the remaining material in the Fifth St medians.
- Continue investigation of inflow and infiltration in sanitary sewer mains.
- Complete design and start construction of Lochside Dr watermain replacement.
- Complete Downtown Parking study.
- Complete stormwater alternatives study.
- Explore reducing maximum speed limit through Sidney.



CLIMATE ACTION

Corporate Emissions in 2022



In June 2022, the Town completed the updated Climate Action Plan. Overall, this plan seeks to:

- Build understanding of climate change, climate action, and its 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

Both the Town's total energy consumption and GHG emissions increased by 4% compared to 2021. The most significant sources of the Town's emissions were:

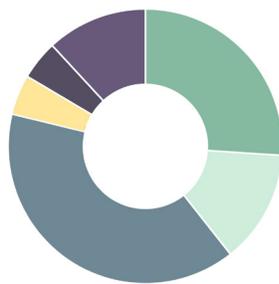
- Gas and diesel for trucks used for parks maintenance, public works, and emergency response (43%)
- Natural gas use in the Community Safety Building (20%)

Community Emissions

Throughout Sidney, there was an increase in building emissions and a decrease in transportation emissions between 2018 and 2020, which reflects the impacts of the COVID-19 pandemic. Overall, this led to a 5% decrease in emissions between those two years. The most significant sources of emissions for the community are:

- Gas used for personal trucks, vans, and SUVs (20%)
- Gas used for passenger vehicles (11%)
- Oil used in homes (10%)
- Natural gas used in homes (9%)

Community Emissions in 2020 (most recent data available)



How are we reducing climate change impacts?

Corporate Climate Action

Transportation

- Piloted new electric parks equipment to reduce gas use.
- Made the Town's fleet bike functional for site visit use by staff.
- Started a Corporate Go by Bike Week competition to promote staff active transportation uptake.

Buildings

- Turned down the temperature in the CSB truck bays to help mitigate increases in natural gas usage.

Community Climate Action

Transportation

- Developed a Bike Rack Cost Sharing Policy to provide financial support to businesses interested in installing bike racks in front of their establishments.
- Awarded \$50,000 for the development of the Town's first Active Transportation Plan.
- In partnership with the CRD, Victoria, and Saanich, awarded \$224,000 to run the Charge Your Ride E-mobility awareness campaign throughout the Capital Region, including an interactive event at the Mary Winspear Centre drawing in 300+ people.
- Hosted a Celebration Station during the fall "Go By Bike Week" to promote bike riding in the community.

Buildings

- Developed a Heat Pump Permitting Guide to help support homeowners navigate the process of installing a heat pump in their home.
- Connected residents with resources to help them find rebates and grants to offset their home retrofit projects
- Provided 26 CleanBC municipal top-up rebates for residents who switched to an electric heat pump from natural gas or oil.

How are we preparing for climate change risks?

- Partnered with the CRD, Victoria, Saanich, and Oak Bay to apply for a Heat Vulnerability Mapping Project grant (awarded \$150,000).
- Incorporated a climate lens into the ongoing Asset Management Plan development process.
- Planted 300+ 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 (78 trees planted) and two invasive species pull events.
- Gave away 50+ trees for Sidney residents to plant on their properties during the annual Tree Giveaway leading up to Tree Appreciation Day.
- Updated the Town's Hazard Risk and Vulnerability Assessment (HRVA) with a Climate Lens.

Climate Action Plan Progress

Below is a high-level overview of how different actions listed in the Climate Action Plan have been advanced by the Town.

- Short term actions: 6 in progress, 1 completed.
- Other actions in progress or ongoing: 27
- Corporate actions progress: 88% in progress or ongoing.
- Community actions progress: 70% in progress or ongoing, 28% not yet started.
- Adaptation-specific actions in progress or ongoing: 76%.
- Mitigation-specific actions in progress or ongoing: 62%.
- Actions in progress or ongoing that support both adaptation and mitigation: 77% (3 actions completed, including integration of a climate lens in the Town's Hazard Risk and Vulnerability Assessment).
- Capital projects in the 2022 Financial Plan that support climate action objectives: 4 (not including sidewalk projects).



FIRE SERVICES

Emergency Response Activity



of Calls

MESA
Medical Emergency
Services Assists 611

MESA: First on Scene
Fire Department
crews were the first
emergency services
on scene 489

Assists
Ex. Smoke alarm
program, child car seat
installation 255

Auto-Aid/ Standby
Ex. Calls to assist
mutual aid partners
including North Saanich
and Central Saanich 144

Fire Calls 130

Other Calls 54

TOTAL CALLS 1194

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 Central Saanich and North Saanich.

Calls for Service

While call volume had been lower during the pandemic years, 2022 was the busiest year on record for the Fire Department. The department responded to 1194 calls, which represents a 25% increase over the previous record of 886 calls in 2018. Call volume was up across all call types.

Community Risk Reduction

The Fire Department conducted 1078 fire and life safety inspections in 2022. As part of ongoing fire prevention efforts, the Fire Department made 20 public education presentations in 2022.

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.

Community Risk Reduction



Annual Inspections	857
Re-Inspections / Follow Up	173
Review of Fire Safety Plans for New Construction	92
Business Inspections as part of Licencing Process	48
Public Education Presentations	20

2022 Fire Investigations

- 13 fires in Sidney requiring investigations
- Value of damage in Sidney due to fires: \$4,183,305
- Potential value of damage in Sidney due to fires: \$13,470,000



Training Activity



# of Hours	
Driver Training	350
Blue Card Incident Command Training	275
First Responder Training	266
Live Fire Training	232
Confined Space Rescue Training	226
HAZMAT Training	225
TOTAL TRAINING HOURS	5180

7:04

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

BC Building Code requires fire suppression (ex. 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.

2023 Initiatives

- 2023: Renew Fire and Peninsula Emergency Measures Organization shared services agreements.
- 2023: Update Hazard, Risk, and Vulnerability Assessment.
- 2023: Conduct Emergency Operations Centre training for Town of Sidney staff.
- 2023: Undertake post-disaster emergency drinking water implementation study.
- 2023: Plan and conduct disaster exercise.
- 2023: Continue implementation of "Meet Your Street" initiative.
- 2023: Continue to work toward designation as United Nations Role Model City.



POLICE SERVICES

Policing services are provided to the municipalities of Sidney and North Saanich by the RCMP-GRC through a Federal/Provincial/Municipal contract. A detachment centrally located at 9895 Fourth Street in Sidney provides diverse policing services to the surrounding Northern Saanich Peninsula and First Nation communities, as well as 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 32 police officers and nine civilian support staff. Uniform 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, 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, and operations for the detachment. Business hours for inquiries, assistance and service are Monday to Friday from 8:30 am – 4:15 pm.

Policing Services in 2022

Sidney/North Saanich Detachment saw an increase in calls for service in 2022 with 2,863 calls responded to within the Town of Sidney. An increase in both crimes against persons and property crime were reported over the previous year 2021.

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 are delivered conducting impaired driving, speed, and distracted driving enforcement. Community Policing services place emphasis on crime prevention programs which include volunteer programs to assist in awareness and prevention efforts. A major crime unit supports the investigation of the most serious crime investigations such as intimate partner violence, child exploitation, sexual assault, sudden death, and missing person investigations.

Policing Priority Results

Each year the detachment establishes 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 efforts towards these policing priority objectives. In 2022, the detachment conducted 152 impaired driving investigations, and issued over 1,600 written traffic contacts. The detachment also undertook 1,205 foot patrols with public engagement, 63 community outreach initiatives, and delivered 10 fraud scam awareness presentations. These policing priority initiatives contribute to increased traffic and community safety, and a greater awareness of self-protection from fraud and property crime

Community Policing & Volunteer Programs

The detachment's Community Policing Unit is 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 and connect with a detachment coordinator through an email network. New volunteers have been recruited for the Speed Watch and Citizens on Patrol programs. The Saanich Peninsula Restorative Justice Program continues to support alternate resolutions to police response incidents by referrals.

The Community Policing Unit continues engagement with the community through school liaison, business watch, and neighbourhood groups. Specific prevention initiatives for fraud scam awareness and 529 bike registration are specifically aimed to help protect residents from becoming victims of crime.

Priorities for 2023

Many of the initiatives implemented in 2022 will be continued and expanded during 2023. The Community Policing Unit look forward to the return of the weekly street market on Beacon Avenue this year as an opportunity to reach more of the community with important prevention information. The detachment really wants to help community members protect themselves from fraud scams and be able to recognize a scam and know what to do and what not to do.

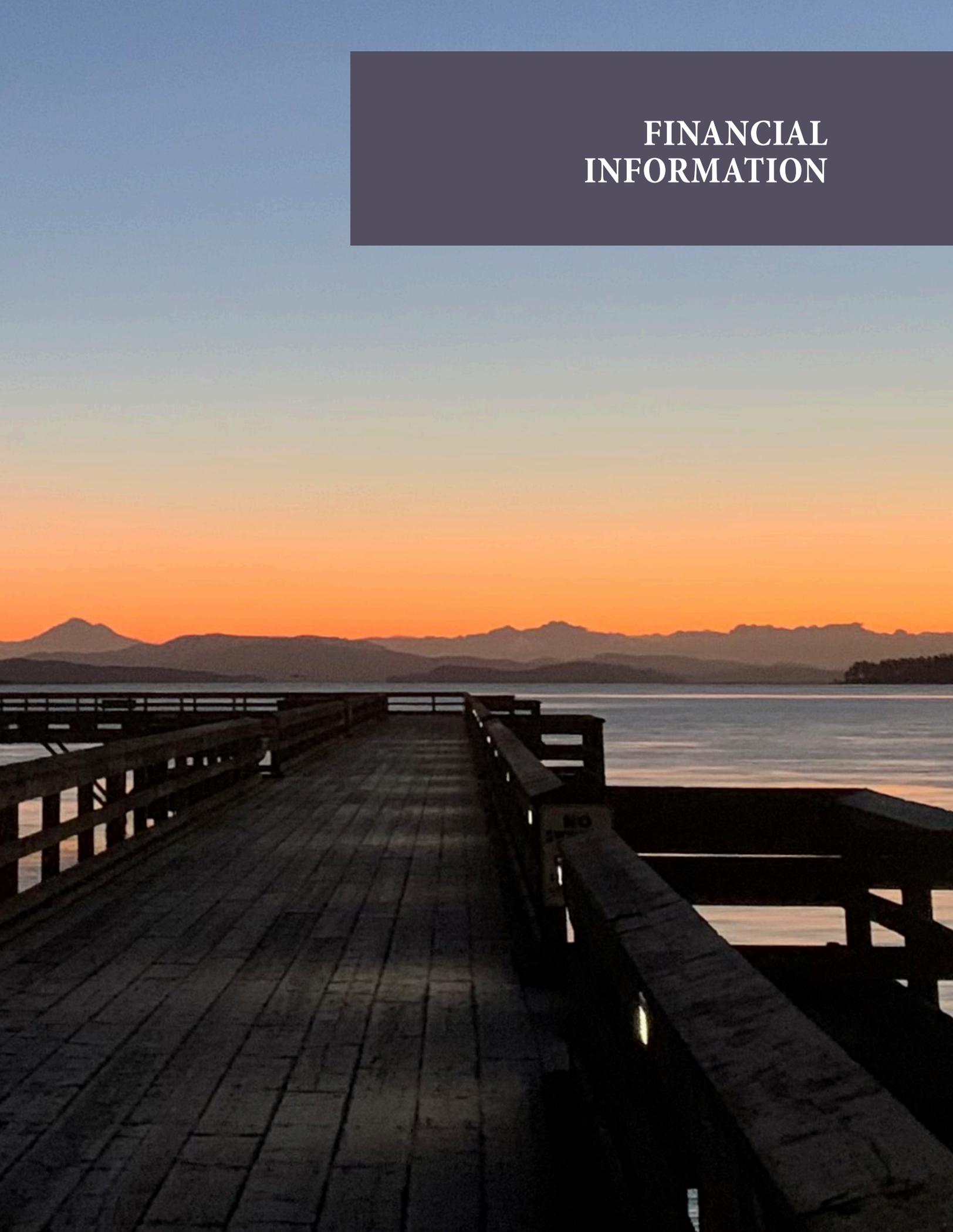
The detachment will continue its focus on safe driving and pedestrian safety through enforcement and education. Property Crime Reduction always remains at the forefront, with emphasis on preventative practices such as removing valuables from vehicles, installing video at residential and business properties and reporting any suspicious activity to police when it is occurring.



Volunteer programs like Speed Watch are being re-established following the suspension of many programs due to COVID-19.



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 45) and the *Statement of Operations and Accumulated Surplus* (page 46). 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, 2022. 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 \$26,815,501, compared to \$28,857,950 in 2021. This decrease of \$2,042,499 is primarily attributable to the acquisition of capital assets, and the release of development related deposits which had been held until project completion. These refunds led to a reduction in the cash balance, which corresponds to decreases in related liabilities, as discussed below.

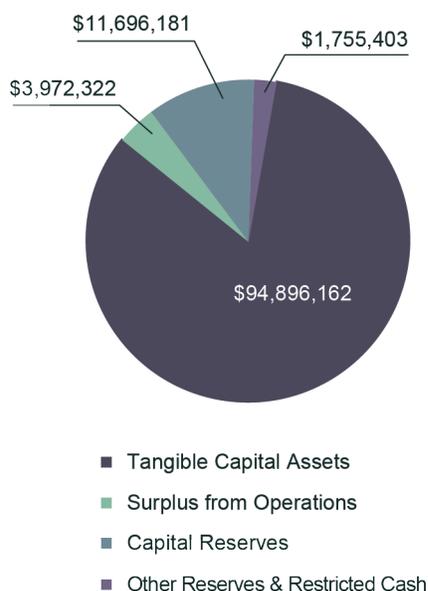
Liabilities is the next section in the *Statement of Financial Position*; this represents cash and services owing by the Town to third parties. The decrease in Deferred Revenue is directly linked to the factor described above under Financial Assets (refund of deposits held for development projects). The year-end Accounts Payable balance is always dependent on the magnitude of expenditures spanning the end of the fiscal year, which can vary from year to year. For 2022, this balance increased by approximately \$690,000 over the previous year, with higher year-end balances for the RCMP policing contract and the provincial school tax being the main contributors.

The Town's largest liability is its debt, totaling \$10.03 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. The total debt balance decreased by \$375,639 during the year, due to principal payments. Approximately \$7.8 million of the Town's total debt relates to the Community Safety Building (including a recoverable portion associated with the ambulance space). The average interest rate of current outstanding debt is 2.41%, with rates of individual debt issues ranging from 1.28% to 3.39%.

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 future spending. The Town's position decreased by \$1,163,102 during 2022, due primarily to the acquisition of capital assets. 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 2022 year ending TCA balance was \$104.9 million, an increase of \$1.75 million over 2021. This resulted from net investments in TCA of \$5.2 million, less \$3.2 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 \$112,320,068 is broken down into various components in Note 6 (page 57) 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.

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 \$25,325,976 were slightly higher than the previous year, primarily due to growth in tax revenues and investment earnings.

The 2022 *Statement of Operations and Accumulated Surplus* indicates an Annual Surplus of \$596,641, which is broken down into the following components:

Net investment in Capital Assets	\$ 2,132,932
Net increase in Reserves & Restricted Cash	(1,081,226)
Net increase in Surplus from Operations	(446,065)
Annual Surplus	\$ 596,641

The *Annual Surplus* figure should not be considered as 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, 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 nearly \$1.6 million lower than what was anticipated in the budget (actual surplus of \$596,641 versus budgeted surplus of \$2,166,546). This was due mostly to the anticipated funding not being realized for one large capital project, which was initiated very late in 2022.

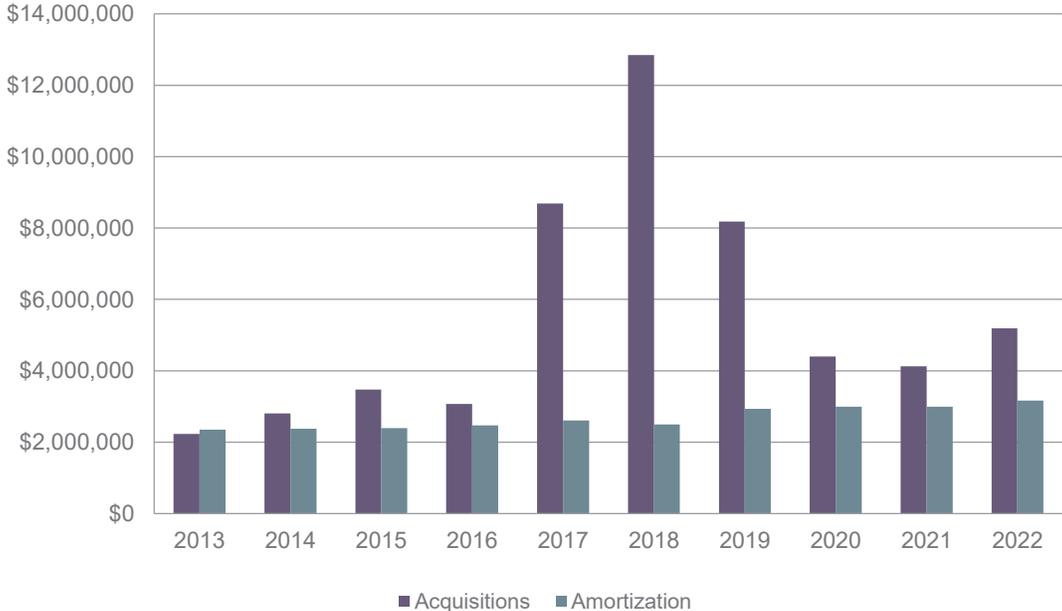
Net Investment in Capital Assets

A large contributing factor to the Annual Surplus is an increase of \$2,132,932 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 2022 *net investment in capital assets* is made up of \$5,185,527 in net acquisitions, reduced by \$3,169,432 in amortization; this was accompanied by a net reduction in long-term debt of \$375,639. The most significant capital additions during the year were through Town infrastructure projects totaling \$1.2 million, and vehicle additions totaling \$1.8 million.

The chart below shows the Town’s TCA additions and amortization over the past 10 years. It demonstrates that in most years, there is a positive net investment in capital. 2013 was an exception, as the Town consumed more than it added. Such a one-time fluctuation is not something to be concerned with, as it simply reflects the Town’s financial and asset management plans for that particular year; only a longer-term pattern in this direction may indicate a cause for some concern.

Tangible Capital Assets Additions & Amortization



Generally, it is good to have a positive net investment in capital each year, as this would indicate that you are renewing your assets more quickly than you are consuming them. The simple act of renewal would likely lead to a net increase in TCA, as the assets you are renewing are in current dollars, while the assets you are consuming are at historical (and therefore 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 we move forward with the Town’s asset management strategy.

Net Increase in Reserves

In the breakdown of the Annual Surplus above, another contributing factor is the net decrease of \$1,081,226 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.

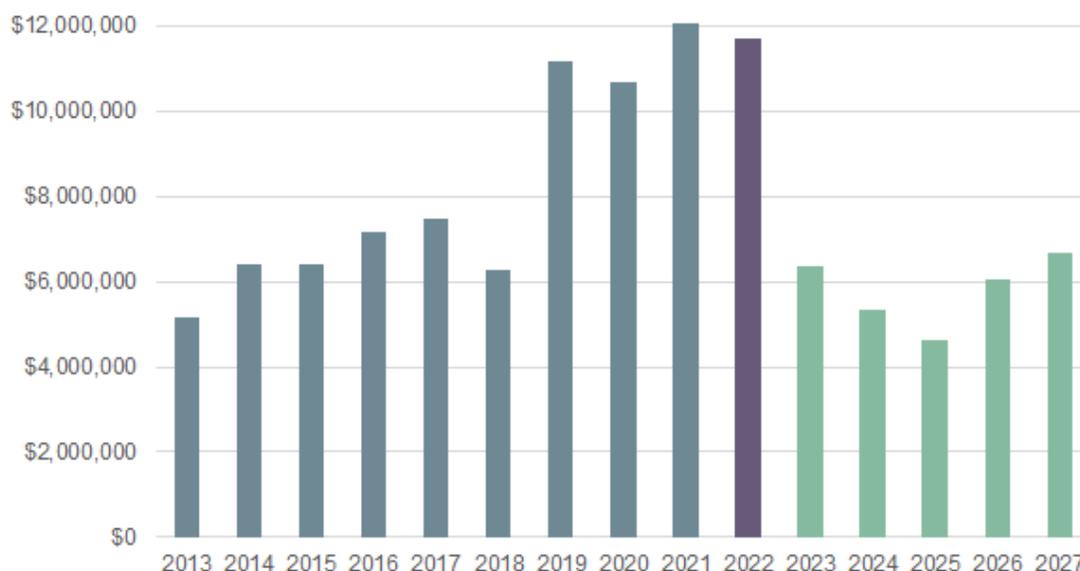
Statutory Reserves had a net decrease of \$374,593 during 2022; transfers into the Reserves equaled \$3.8 million, while transfers out to fund projects equaled \$4.1 million. Budgeted transfers to reserve totaled \$3.3 million. This was supplemented through the receipt of development contributions. The 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. An atypically large funding transfer from the vehicle replacement reserves contributed to a net reduction in these reserves in 2022.

The Town's total Statutory Reserves at year end amounted to \$11,696,181. Of this total, 28% is made up of reserves to replace Town vehicles, equipment and the ferry terminal, while a further 31% represents the Town's Infrastructure Replacement reserves. The primary purpose of maintaining 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 20% 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 \$708,315 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 three years and then an increasing reserve balance for the following two years. This is due to the projected use of accumulated Gas Tax funds, but also an ambitious replacement timeline for the Town’s infrastructure over the next couple of 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 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 \$1,683) 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 current 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	\$ (310,606)
Garbage Utility	(30,744)
Water Utility	209,418
Sewer Utility	(314,133)
<u>Net decrease in Accumulated Surplus from Operations</u>	<u>\$ (446,065)</u>

2022 operations realized a total deficit of \$446,065. General Operating realized an operating deficit of \$310,606. The 2022 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. 2022, however, was atypical. The primary source of expected savings, the RCMP policing contract, ended up being over budget due to retroactive payments relating to a contract settlement. In addition, Parks operations were significantly over budget due to a long, hot summer season.

The Garbage Utility, which operates on a cost recovery basis, realized a deficit from Operations of \$30,744, which was slightly higher than anticipated. The level of accumulated surplus in this utility will ensure garbage collection rates for residents and businesses remain unchanged for the duration of the 5-year garbage collection contract.

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 two years under this structure proved to be successful in achieving these goals, and the Utility realized an operating surplus of \$209,418.

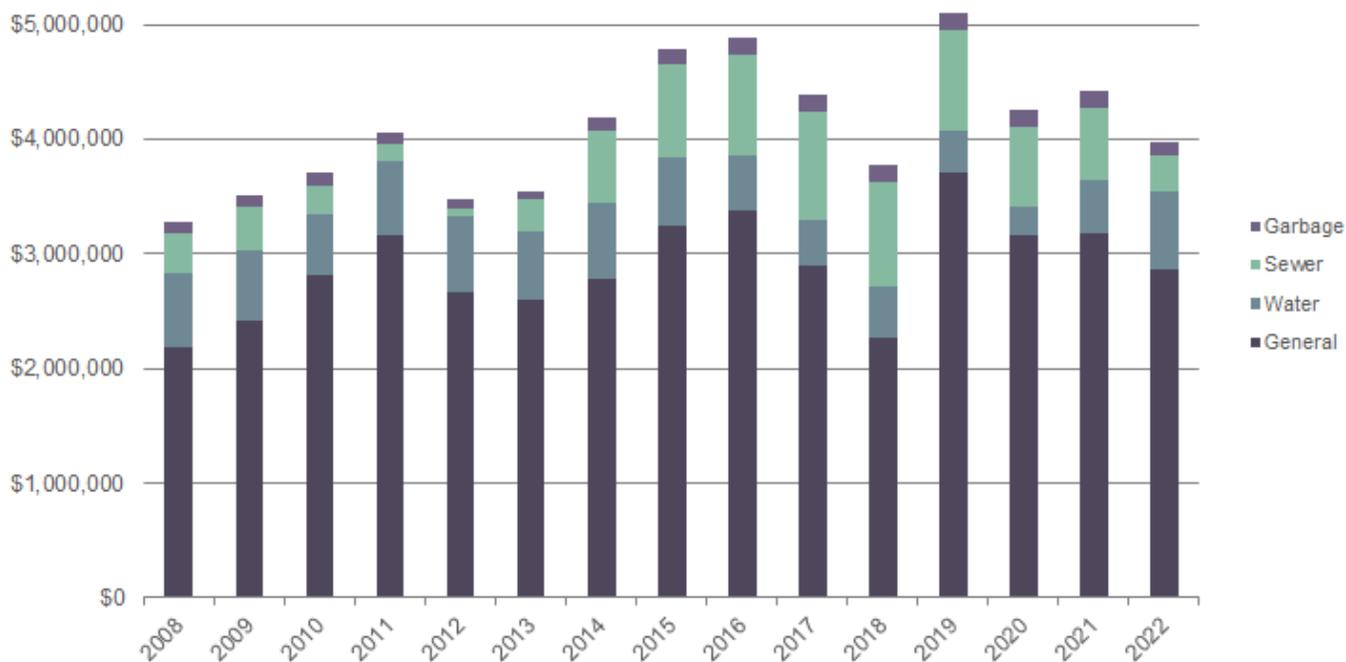
The Sewer Utility realized a deficit of \$314,133, which was more than the budgeted deficit (use of surplus) of \$168,783. A review of the Sewer Utility rate structure is anticipated in 2024 to ensure this Utility is also sustainable going forward.

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 2022 net decrease in Surplus from Operations is combined with surpluses from prior years, the year ending Accumulated Surplus from Operations balance increases to \$3,972,322, with all but one operational area maintaining surplus levels that meet or exceed policy requirements. The balance of the General Operating Fund will be closely monitored over the next few years to ensure it remains at acceptable levels.

Accumulated Surplus from Operations



Notes to 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 13) 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 them accessible and informative to the reader. The 2022 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 decreased slightly in 2022, as the Town invested in capital assets, and the longer-term outlook requires careful planning to ensure services and infrastructure renewal remain financially sustainable.



Director of Corporate Services
June 1, 2023

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. Significant accounting policies are described 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 Town's 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 Auditors' Report outlines their responsibilities, the scope of their examination, and their opinion on the Town's financial statements.



Director of Corporate Services
June 1, 2023





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

INDEPENDENT AUDITOR'S REPORT

To the 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, 2022
- 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 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, 2022, and its results of operations, 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.

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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.



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

KPMG LLP

Chartered Professional Accountants

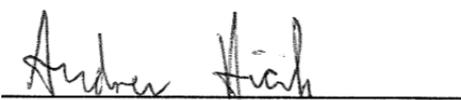
Victoria, Canada
May 8, 2023

STATEMENT OF FINANCIAL POSITION

December 31, 2022, with comparative figures for 2021

	2022	2021
Financial assets:		
Cash	\$ 13,720,829	\$ 15,653,175
Investments	10,029,702	10,519,475
Property taxes receivable	422,492	379,777
Accounts receivable	2,509,322	2,174,050
MFA Debt Reserve Fund cash (note 4b)	133,156	131,473
	<u>26,815,501</u>	<u>28,857,950</u>
Liabilities:		
Accounts payable and accrued liabilities	4,004,459	3,314,338
Deferred revenue and deposits (note 2)	4,775,193	6,018,422
Employee future benefit liability (note 3)	1,072,200	1,022,800
Debt (note 4)	10,031,969	10,407,608
	<u>19,883,821</u>	<u>20,763,168</u>
Net financial assets	6,931,680	8,094,782
Non-financial assets:		
Tangible capital assets (note 5)	104,928,131	103,179,838
Inventory of supplies	276,131	317,320
Prepaid expenses	184,126	131,487
	<u>105,388,388</u>	<u>103,628,645</u>
Accumulated surplus (note 6)	\$ 112,320,068	\$ 111,723,427
Contractual rights (note 12)		
Commitments and contingent liabilities (note 13)		

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



Director of Finance

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2022, with comparative figures for 2021

	<i>Budget</i> 2022	Actual 2022	Actual 2021
	<i>(note 10)</i>		
Revenue:			
Net taxes available for municipal purposes (note 7)	\$ 15,028,438	\$ 15,031,340	\$ 14,322,161
Fees, rates and service charges	7,094,023	6,863,690	6,845,194
Government transfers (note 8)	2,719,673	1,860,693	2,306,440
Investment earnings	220,000	613,506	209,787
Gifts and contributions	2,176,540	655,452	1,048,971
Penalties and interest	112,000	99,747	110,804
Actuarial adjustment on debt	-	49,603	67,103
Other	9,500	151,945	10,211
Total revenue	27,360,174	25,325,976	24,920,671
Expenses:			
General government	3,018,399	2,781,663	2,616,403
Protective services	6,712,855	6,713,768	6,180,808
Transportation	4,536,378	4,135,476	3,992,286
Environmental health services	1,020,440	1,010,063	857,307
Environmental development	588,200	617,433	631,048
Leisure, parks and cultural	3,245,545	3,540,936	3,367,175
Water utility	2,425,988	2,263,121	2,302,248
Sewer utility	2,592,549	2,496,076	2,357,977
Other (note 9)	1,053,274	1,170,799	993,549
Total expenses	25,193,628	24,729,335	23,298,801
Annual surplus	2,166,546	596,641	1,621,870
Accumulated surplus, beginning of year	111,723,427	111,723,427	110,101,557
Accumulated surplus, end of year	\$ 113,889,973	\$ 112,320,068	\$ 111,723,427

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

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (NET DEBT)

Year ended December 31, 2022, with comparative figures for 2021

	Budget 2022 <i>(note 10)</i>	Actual 2022	Actual 2021
Annual surplus	\$ 2,166,546	\$ 596,641	\$ 1,621,870
Acquisition of tangible capital assets	(13,906,299)	(5,185,527)	(4,122,093)
Amortization of tangible capital assets	3,050,000	3,169,432	2,993,238
Loss on disposal of tangible capital assets	-	108,740	2,848
Proceeds on disposal of tangible capital assets	-	159,062	600
	(8,689,753)	(1,151,652)	496,463
Acquisition of inventory of supplies	-	(276,131)	(317,320)
Acquisition of prepaid expense	-	(184,126)	(131,487)
Consumption of inventory of supplies	-	317,320	221,731
Use of prepaid expenses	-	131,487	196,837
Change in net financial assets	(8,689,753)	(1,163,102)	466,224
Net financial assets, beginning of year	8,094,782	8,094,782	7,628,558
(Net debt) / Net financial assets , end of year	\$ (594,971)	\$ 6,931,680	\$ 8,094,782

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

STATEMENT OF CASH FLOWS

Year ended December 31, 2022, with comparative figures for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 596,641	\$ 1,621,870
Items not involving cash:		
Amortization	3,169,432	2,993,238
Loss on disposal of tangible capital assets	108,740	2,848
Developer contribution of tangible capital assets	(334,891)	(586,526)
Change in employee future benefit liability	49,400	74,900
Actuarial adjustment on debt	(49,603)	(67,103)
Changes in non-cash assets and liabilities:		
Property taxes receivable	(42,715)	66,079
Accounts receivable	(335,272)	66,473
Accounts payable and accrued liabilities	690,121	(2,170,629)
Deferred revenue	(1,243,229)	(2,253,089)
Inventory of supplies	41,189	(95,589)
Prepaid expenses	(52,639)	65,350
Net change in cash from operating activities	2,597,174	(282,178)
Capital activities:		
Proceeds on disposal of tangible capital assets	159,062	600
Cash used to acquire tangible capital assets	(4,850,636)	(3,535,567)
Net change in cash from capital activities	(4,691,574)	(3,534,967)
Investment activities:		
Investments	489,773	(1,019,475)
Net change in cash from investing activities	489,773	(1,019,475)
Financing activities		
Municipal Finance Authority debt reserve adjustment	(1,683)	9,624
Debt issued and assumed	-	265,000
Long-term debt repaid	(326,036)	(338,434)
Net change in cash from financing activities	(327,719)	(63,810)
Net change in cash and cash equivalents	(1,932,346)	(4,900,430)
Cash and cash equivalents, beginning of year	15,653,175	20,553,605
Cash and cash equivalents, end of year	\$ 13,720,829	\$ 15,653,175
Cash paid for interest	\$ 277,033	\$ 307,199
Cash received from interest	629,559	225,513

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

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 services 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 FINANCIAL STATEMENTS

Year ended December 31, 2022

1. Significant accounting policies (continued):

(f) Investments:

Investments are recorded at cost and are comprised of guaranteed investment certificates.

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) 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.

(h) 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.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

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

(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.

(i) Foreign currency:

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the reporting date, and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Gains or losses on foreign currency translations are included as revenues or expenses.

(j) 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, and estimating provisions for accrued liabilities, including employee future benefits, contaminated sites and contingent liabilities. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

1. Significant accounting policies (continued):

(k) 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.

2. 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, 2021	Recognized as revenue or refunded	Interest earned	Current year deferred	Balance at Dec 31, 2022
Prepaid property taxes	\$ 1,676,795	\$ (1,676,795)	\$ -	\$1,735,690	\$ 1,735,690
Prepaid fees and charges	451,939	(331,186)	-	168,147	288,900
Deferred developer contributions & deposits	2,599,535	(990,751)	4,900	365,888	1,979,572
Deposits on hold	1,290,153	(711,071)	-	191,949	771,031
	<u>\$ 6,018,422</u>	<u>\$ (3,709,803)</u>	<u>\$ 4,900</u>	<u>\$ 2,461,674</u>	<u>\$ 4,775,193</u>

3. Employee future benefit liability:

Sick leave and retirement benefits are available to Town employees that 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.

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

3. Employee future benefit liability (continued):

	2022	2021
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 904,200	\$ 901,000
Current service cost	97,700	100,500
Interest cost	24,200	19,300
Benefits paid	(61,800)	(45,000)
Actuarial adjustment	(123,900)	(71,600)
Balance, end of year	840,400	904,200
Unamortized net actuarial gain	231,800	118,600
Accrued employee benefit liability	\$ 1,072,200	\$ 1,022,800

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 10 years (2021 - 11 years).

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

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

	2022	2020
Discount rates	4.40%	2.50%
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 \$111,200 (2021 - \$119,000).

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, 2021, the Plan had about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. 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.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

3. Employee future benefit liability (continued):

The most recent actuarial valuation for the Municipal Pension Plan, as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The 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 \$658,117 for employer contributions (2021 - \$675,860) and Town employees paid \$593,570 for employee contributions (2021 - \$581,386) to the plan in fiscal 2022.

GVLRA – CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 and its sole purpose is to provide a long-term disability income benefit plan for municipal employees in the Capital Region. The Town and its employees (CUPE & Exempt) each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2020 and extrapolated to December 31, 2021. At December 31, 2021, the total plan provision for approved and unreported claims was \$24,715,800 with a net surplus of \$1,664,646. The actuary does not attribute any portions of the net surplus to individual employers.

The Town paid \$89,681 for employer contributions (2021 - \$78,682) and Town employees paid \$89,739 for employee contributions (2021 - \$78,353) to the plan in 2022.

4. 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.

(b) Gross amount of debt and the amount of the actuarial allocation of assets available to retire the debt are as follows:

	Gross debt	Repayment and actuarial allocation	Net debt 2022	Net debt 2021
Short-Term and Other debt	\$ 218,978	\$ -	\$ 218,978	\$ 272,413
Long-Term Debt	11,580,000	1,767,009	9,812,991	10,135,195
	\$ 11,798,978	\$ 1,767,009	\$ 10,031,969	\$ 10,407,608

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

4. Debt (continued):

(b) (continued):

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, 2022 there were contingent demand notes of \$184,305 (2021 - \$187,311) and cash deposits of \$133,156 (2021 - \$131,473). 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:

2023	\$	271,291
2024		271,291
2025		271,291
2026		271,291
2027		271,291
2028-2050		8,456,536
	\$	9,812,991

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

(e) Total interest paid on debt during the year was \$277,033 (2021 - \$307,199).

(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 2022 was 2.41% (2021 - 2.40%).

(g) Included in other debt are Equipment Financing Loan Agreements with the Municipal Finance Authority totaling \$218,978 (2021 - \$272,413) to finance the purchase of a tangible capital asset.

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 4.51% per annum. Interest paid during the year was \$4,863 (2021 - \$1,531) and has been included in expenses on the statement of operations. As a condition of borrowing, the Town has issued promissory notes in the value of \$308,437 to the MFA.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

5. Tangible capital assets:

Cost	Balance at Dec 31, 2021	Additions	Disposals / Transfers	Balance at Dec 31, 2022
Land	\$ 14,291,854	\$ -	\$ -	\$ 14,291,854
Land improvements	16,632,373	290,314	3,008	16,925,695
Building and building improvements	30,170,755	49,605	(10,000)	30,210,360
Vehicles, machinery and equipment	11,894,579	2,231,662	(1,350,643)	12,775,598
Water and wastewater infrastructure	45,717,679	626,514	1,539,526	47,883,719
Roads infrastructure	32,642,816	923,508	476,527	34,042,851
Assets under construction	3,254,980	1,063,924	(2,318,009)	2,000,895
Total	\$ 154,605,036	\$ 5,185,527	\$ (1,659,591)	\$ 158,130,972

Accumulated Amortization	Balance at Dec 31, 2021	Amortization Expense	Disposals	Balance at Dec 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	6,676,248	465,558	(98,395)	7,043,411
Building and building improvements	8,645,894	714,378	(10,000)	9,350,272
Vehicles, machinery and equipment	6,378,498	725,192	(1,184,861)	5,918,829
Water and wastewater infrastructure	17,836,875	662,834	-	18,499,709
Roads infrastructure	11,887,683	601,470	(98,533)	12,390,620
Assets under construction	-	-	-	-
Total	\$ 51,425,198	\$ 3,169,432	\$ (1,391,789)	\$ 53,202,841

Net Book Value	Balance at Dec 31, 2021	Balance at Dec 31, 2022
Land	\$ 14,291,854	\$ 14,291,854
Land improvements	9,956,125	9,882,284
Building and building improvements	21,524,861	20,860,088
Vehicles, machinery and equipment	5,516,081	6,856,769
Water and wastewater infrastructure	27,880,804	29,384,010
Roads infrastructure	20,755,133	21,652,231
Assets under construction	3,254,980	2,000,895
Total	\$ 103,179,838	\$ 104,928,131

(a) Assets under construction

Assets under construction in the amount of \$2,000,895 (2021 - \$3,254,980) 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 \$334,891 (2021 - \$586,526).

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

5. 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 2022 or 2021.

6. Accumulated surplus:

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

	2022	2021
Surplus:		
Invested in tangible capital assets	\$ 94,896,162	\$ 92,772,230
Surplus from operations	3,972,322	4,418,388
Total surplus	98,868,484	97,190,618
Reserves set aside by Council:		
Miscellaneous operating purposes	1,194,879	1,728,984
Miscellaneous capital purposes	427,368	601,578
Total reserves	1,622,247	2,330,562
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	477,104	634,912
Parkland acquisition	228,644	223,344
Off-street parking	377,340	854,725
Alternative transportation	431,173	-
Computer replacement	420,273	493,599
General equipment replacement	908,699	1,166,610
Fire equipment replacement	(451,523)	613,853
Water capital	77,188	186,127
Sewer capital	26,016	25,416
Infrastructure replacement	3,657,766	3,035,180
Amenities	1,807,667	1,627,757
Ferry terminal	1,185,240	982,940
Agreements	106,302	199,227
Climate action	121,091	-
Gas Tax - Community Works Fund	2,323,201	2,027,084
Total reserve funds	11,696,181	12,070,774
MFA Debt Reserve Fund cash	133,156	131,473
	\$ 112,320,068	\$ 111,723,427

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

6. Accumulated surplus (continued):

The Town periodically receives Community Works 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 Agreement.

	2022	2021
Federal Community Works Funds		
Community Works Fund, beginning of year	\$ 2,027,084	\$ 1,392,588
Amounts received during the year	571,588	1,118,244
Interest earned restricted for projects	48,300	12,800
Expenditures	(323,771)	(496,548)
Community Works Fund, end of year	\$ 2,323,201	\$ 2,027,084

7. Net taxes available for municipal purposes:

	2022	2021
Taxes:		
Property taxes	\$ 26,858,812	\$ 25,852,942
Revenue in lieu of taxes	289,812	292,583
Other	1,051,379	1,025,600
	28,200,003	27,171,125
Less taxes on behalf of:		
Provincial Government School Authorities	7,502,181	7,296,566
Capital Regional District	2,829,788	2,729,302
Capital Regional Hospital District	925,103	1,000,391
BC Transit	1,340,530	1,267,100
BC Assessment Authority	240,861	233,638
Municipal Finance Authority	1,319	1,107
Business Improvement Area	328,881	320,860
	13,168,663	12,848,964
Net taxes available for municipal purposes	\$ 15,031,340	\$ 14,322,161

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

8. 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 are:

	2022	2021
Federal grants:		
Community Works Fund	\$ 571,588	\$ 1,118,244
Provincial grants:		
COVID-19 Emergency Operations Center	-	4,663
Federal / provincial capital grant programs	45,464	24,430
Small community protection grant	403,000	318,000
Traffic fine revenue sharing	103,060	106,769
Other provincial grants	174,780	161,186
	726,304	615,048
Regional and other local governments:		
Policing	439,092	428,660
Recreation	113,709	93,107
Other	10,000	51,381
	562,801	573,148
Total government transfer revenue	\$ 1,860,693	\$ 2,306,440

9. Other expenses:

	2022	2021
Grants to non-government organizations:		
Saanich Peninsula Memorial Park Society	\$ 365,600	\$ 351,904
Shaw Centre for the Salish Sea	205,000	205,000
Sidney Business Improvement Area Society	165,075	167,140
ArtSea Community Arts Council	44,800	44,800
South Island Prosperity Project	31,782	26,129
Peninsula Celebrations Society	12,000	-
Other	56,383	70,261
	880,640	865,234
Interest on prepaid taxes	20,867	-
Amortization and net loss on miscellaneous assets	119,545	13,309
Other	149,747	115,006
	\$ 1,170,799	\$ 993,549

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

10. Budget data:

The budget data presented in these financial statements is based upon the 2022-2026 Financial Plan adopted by Council on May 9, 2022. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 26,849,104
Add:	
Vancouver Island Regional Library Levy	839,951
Less:	
Sidney Business Improvement Area Levy	(328,881)
Total revenue	27,360,174
Expenses:	
Financial Plan	24,682,558
Add:	
Vancouver Island Regional Library Levy	839,951
Less:	
Sidney Business Improvement Area Levy	(328,881)
Total expenses	25,193,628
Annual surplus	\$ 2,166,546

11. 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 FINANCIAL STATEMENTS

Year ended December 31, 2022

11. 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. The main services include Traffic Services consisting of street sign, 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 FINANCIAL STATEMENTS

Year ended December 31, 2022

11. 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 FINANCIAL STATEMENTS

Year ended December 31, 2022

11. 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	2,080,302	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 FINANCIAL STATEMENTS

Year ended December 31, 2022

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2021
Revenue:										
Taxes for municipal purposes	\$ 1,993,939	\$ 4,138,120	\$ 2,115,720	\$ 261,211	\$ 527,675	\$ 2,606,784	\$ 461,400	\$ 564,200	\$ 1,653,112	\$ 14,322,161
Fees, rates and service charges	445,494	603,654	810,656	585,524	33,130	153,436	2,118,849	1,915,314	179,137	6,845,194
Government transfers	-	623,028	31,540	-	8,825	100,034	-	-	1,543,013	2,306,440
Investment earnings	-	-	-	-	-	-	-	-	209,787	209,787
Gifts and contributions	-	-	464,095	-	-	32,367	58,180	53,190	441,139	1,048,971
Penalties and interest	-	-	-	1,917	-	-	6,133	6,570	96,184	110,804
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	67,103	67,103
Other	-	-	-	-	-	-	-	-	10,211	10,211
Total revenue	2,439,433	5,364,802	3,422,011	848,652	569,630	2,892,621	2,644,562	2,539,274	4,199,686	24,920,671
Expenses:										
Salaries, wages and benefits	1,722,066	2,700,298	1,459,745	193,333	491,520	1,191,478	306,172	259,847	5,675	8,330,134
Contracted services	634,366	2,381,599	504,374	613,344	137,505	1,218,541	45,957	1,762,864	738,171	8,036,721
Supplies and equipment	61,900	186,776	547,154	41,879	2,023	356,528	1,718,157	172,222	-	3,086,639
Debt interest	-	206,795	47,287	-	-	31,114	-	-	-	285,196
Other	25,344	83,548	97,878	8,751	-	105,136	52	5,442	240,722	566,873
Amortization	172,727	621,792	1,335,848	-	-	464,378	231,910	157,602	8,981	2,993,238
Total expenses	2,616,403	6,180,808	3,992,286	857,307	631,048	3,367,175	2,302,248	2,357,977	993,549	23,298,801
Annual surplus (deficit)	\$ (176,970)	\$ (816,006)	\$ (570,275)	\$ (8,655)	\$ (61,418)	\$ (474,554)	\$ 342,314	\$ 181,297	\$ 3,206,137	\$ 1,621,870

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

12. 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:

2023	\$	627,183
2024		635,602
2025		591,710
	\$	1,854,495

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.

13. 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 premiums received, 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.

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.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2022

13. Commitments and contingent liabilities (continued):

- (e) The Town has entered into an Easement Agreement and Parking Agreement with the Saanich Peninsula Memorial Park Society (MPS) for the use of part of their lands for two specific purposes: the Easement Agreement is to provide easement access to the Town's Community Safety Building just south of MPS lands; and the Parking Agreement is for the location of a parking lot for employees working in the downtown core. The agreements commit the Town to two separate payment streams, neither of which is considered a liability at December 31, 2022. Under the terms of the agreements, the Town makes payments to MPS as follows:

For the Easement Agreement: a total of \$400,000, payable over a five-year term. The payment shall be \$80,000 per calendar year. The first payment in 2017 was pro-rated to \$46,667 to reflect the actual start date of May 23, 2017; and the final payment, made in 2022, was \$33,333.

For the Parking Agreement: the Town shall pay the equivalent of 0.5% of the previous year's municipal property tax revenues, for as long as the parking agreement continues to be in place. The first payment in 2017 was pro-rated to \$31,396 to reflect the actual start date of May 23, 2017. The 2022 payment was \$60,932; and the 2023 payment will be \$64,227; 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 2023 will be \$26,740. 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. The Town's contribution to the project is \$2,650,000, 41.4% of the approved project cost. 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 work is expected to be substantially completed in 2023.

14. Subsequent event:

On March 23, 2023, The Town received \$3,820,000 in a one-time grant from the Provincial Growing Communities Fund. Eligible expenditures under this grant program are yet to be finalized. Any portion of the grant with sufficient restrictions, giving rise to an obligation meeting the definition of a liability, will be recorded as deferred revenue in 2023, and recognized as revenue when the eligible expenditures are incurred. Any portion that does not give rise to an obligation meeting the definition of a liability will be recognized as revenue in 2023, and transferred to a statutory reserve.

BC SAFE RESTART GRANT SCHEDULE

Year Ended December 31, 2022
(Unaudited)

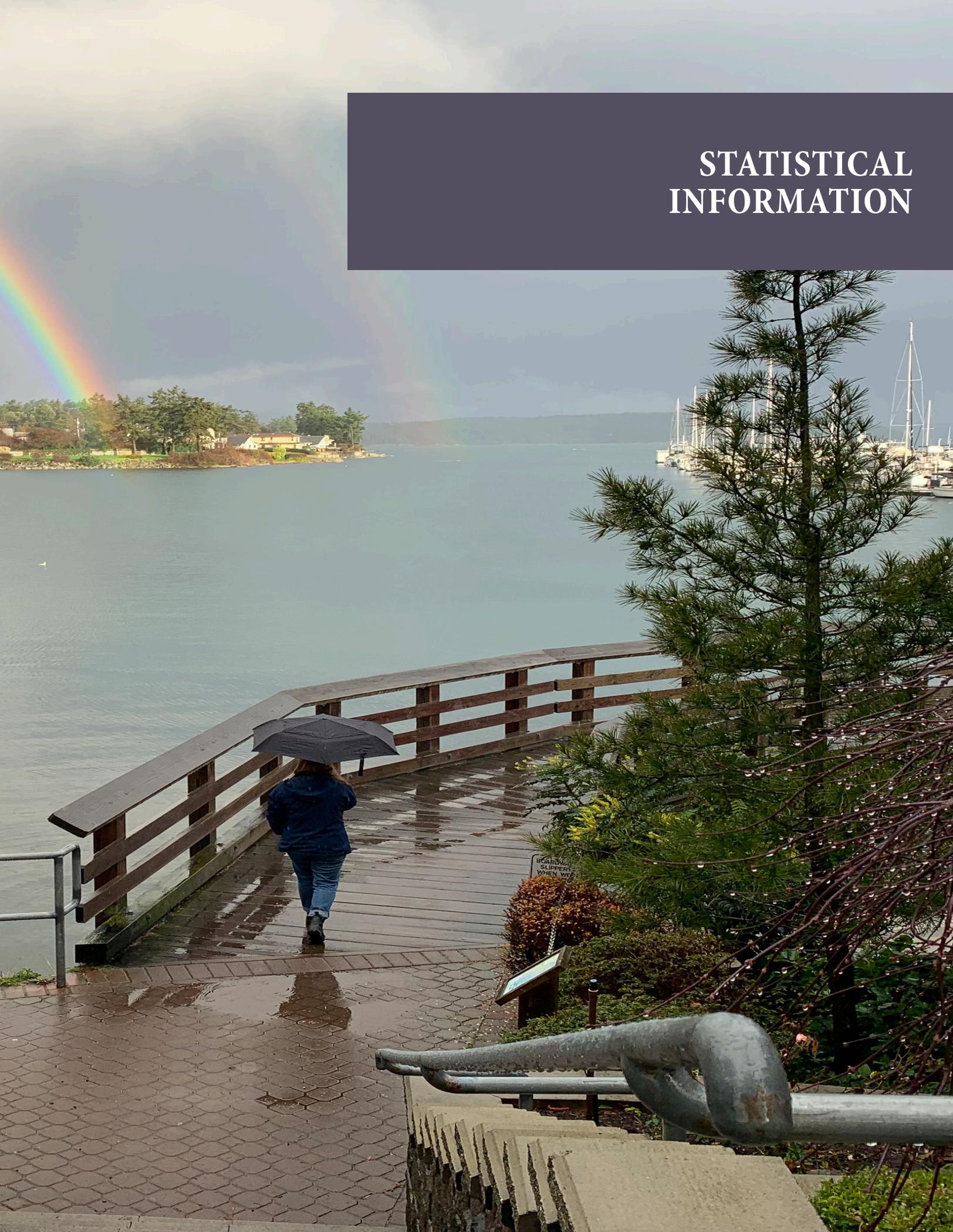
On November 19, 2020, the Town received a BC Safe Restart Grant from the BC Government to help address the fiscal impacts of COVID-19. The grant was recognized as revenue when received and transferred to an operating reserve to fund future eligible expenditures.

	2022	2021
COVID-19 Safe Restart Grant, beginning of year	\$ 1,192,341	\$ 2,108,000
Eligible costs incurred:		
Revenue Shortfalls	(535,000)	(735,000)
Protective services	-	(68,000)
Engineering and public works	-	(23,559)
Community support	(66,350)	(89,100)
Economic development	(54,000)	-
COVID-19 Safe Restart Grant, end of year	\$ 536,991	\$ 1,192,341



PLEASE
WALK YOUR
BICYCLE
OR STROLLER
AND SIDEWALKS

STATISTICAL INFORMATION



TAXABLE ASSESSMENT OF LAND & IMPROVEMENTS

(in thousands)

	2022	2021	2020	2019	2018
Residential	\$4,934,945	\$4,024,970	\$3,946,941	\$3,874,967	\$3,421,344
Utilities	\$1,749	\$1,705	\$10,845	\$1,558	\$1,419
Light Industrial	\$71,057	\$66,826	\$63,620	\$54,727	\$50,068
Business / Other	\$531,693	\$482,939	\$621,550	\$465,196	\$436,029
Recreation / Non-profit	\$42,487	\$40,207	\$99,019	\$38,528	\$34,897
Farm	\$109	\$110	\$110	\$115	\$115
	\$5,582,040	\$4,616,757	\$4,742,085	\$4,435,092	\$3,943,872

Source: BC Assessment Revised Roll

NEW CONSTRUCTION

	2022	2021	2020	2019	2018
Residential *					
# of Permits	53	66	56	67	72
Permit Value	\$21,432,698	\$25,119,352	\$72,080,130	\$47,755,099	\$35,923,507
Net # of Units Added	54	83	222	186	88
Commercial *					
# of Permits	19	22	14	18	20
Permit Value	\$1,601,000	\$8,412,205	\$1,418,115	\$2,145,700	\$3,780,500
Total					
# of Permits	72	88	70	85	92
Permit Value	\$23,033,698	\$33,531,557	\$73,498,245	\$49,900,799	\$39,704,007
Taxes Generated from New Growth ^	\$222,049	\$146,000	\$100,632	\$161,823	\$110,243

* 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

	2022	2021	2020	2019	2018
Municipal (per '000 of assessment)					
Residential	1.92153	2.21707	2.18021	2.18807	2.32677
Utilities	13.16705	13.99903	13.33613	15.89108	16.56863
Light Industrial	5.26682	5.59961	5.33445	6.35643	6.62745
Business / Other	5.26682	5.59961	5.33445	6.35643	6.62745
Recreation / Non-profit	3.87543	3.98419	3.76004	3.97474	4.22243
Farm	4.78852	4.57099	4.45082	4.45086	4.22189
Total - including School, Regional, Transit, etc (per '000 of assessment)					
Residential	3.83752	4.49024	4.51802	4.41162	4.66465
Utilities	31.48955	33.02237	32.51265	35.64963	36.82504
Light Industrial	11.75169	12.79427	9.75609	13.58229	14.47875
Business / Other	11.61718	12.62157	9.62046	13.38150	14.26137
Recreation / Non-profit	7.35259	7.87914	6.09151	7.79849	8.36354
Farm	13.47699	13.21718	13.25443	13.20280	12.86285
Municipal Property Tax Billings by Class					
Residential	\$9,482,647	\$8,923,640	\$8,561,184	\$8,478,699	\$7,960,680
Utilities	23,034	23,866	22,734	24,765	23,511
Light Industrial	374,244	374,200	338,523	347,866	331,821
Business / Other	2,800,332	2,704,272	2,651,057	2,956,983	2,889,761
Recreation / Non-profit	164,655	160,190	156,095	153,140	147,349
Farm	520	501	488	513	487
	\$12,845,432	\$12,186,669	\$11,730,081	\$11,961,965	\$11,353,608

Source: Town of Sidney Finance Department

PROPERTY TAX LEVIED & COLLECTED

	2022	2021	2020	2019	2018
Municipal	\$12,845,432	\$12,186,669	\$11,730,081	\$11,961,965	\$11,353,608
Parcel Taxes	1,050,355	1,024,370	955,500	948,935	866,460
School	7,508,357	7,318,355	5,805,993	6,810,452	6,473,186
Regional District	2,836,450	2,731,932	2,676,782	2,520,356	2,446,114
BC Transit	1,339,650	1,271,967	1,296,553	1,179,735	1,063,056
Hospital District	927,759	1,001,260	1,066,984	1,112,769	1,079,852
Regional Library	839,640	824,402	830,450	787,672	754,764
BC Assessment	240,765	234,211	235,273	212,727	203,754
Municipal Finance Authority	1,319	1,110	1,094	1,060	951
Business Improvement Area Society	334,877	320,861	313,033	305,399	297,950
Total Tax Levied	\$27,924,604	\$26,915,137	\$24,911,743	\$25,841,070	\$24,539,694
Total Current Taxes Levied	\$27,924,604	\$26,915,137	\$24,911,743	\$25,841,070	\$24,539,694
Current Taxes Collected	27,648,406	26,657,517	24,628,480	25,616,691	24,276,229
Percentage	99.01%	99.04%	98.86%	99.13%	98.93%
Arrears Taxes Outstanding, Beginning of Year	371,790	397,860	333,265	383,537	441,430
Arrears Taxes Collected	256,213	302,978	230,672	324,821	317,113
Percentage	68.91%	76.15%	69.22%	84.69%	71.84%
Total Tax Collections*	\$27,904,618	\$26,960,495	\$24,859,152	\$25,941,513	\$24,593,342

* 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	2022 Municipal Tax Levied	2022 Total Tax Levied
Sidney Marina Co Ltd	Marina / Boat Storage / Charters	\$138,574	\$279,097
FHD Nominee Ltd	Residential Rental / Retail	139,946	277,941
Slegg Developments Ltd	Manufacturing / Retail	121,586	267,627
Jim Pattison Developments Ltd	Retail	87,187	208,648
0928818 BC Ltd	Hotel	81,772	195,673
Damka Lumber & Development Ltd	Retail	77,922	186,447
Nicholson Manufacturing Ltd	Industrial / Electrical	78,512	174,929
P & L Holdings Ltd	Hotel / Office / Retail	67,226	160,034
Tait Bros Enterprises Ltd	Hotel	66,640	158,597
Emerald Isle Motor Inn Ltd	Hotel	61,459	146,993
West Sidney Business Park Ltd	Manufacturing / Office / Retail	66,567	146,581
Washington State Department Of Transportation	Ferry Terminal	65,555	144,103
Sidney Pier Properties Ltd	Hotel	65,697	142,488
Trillium (Sidney) Holdings Ltd	Senior Care Facility	78,188	140,377
Sherringham Holdings Ltd	Warehousing / Storage	57,192	127,358
Port Sidney Marina Inc	Marina	60,265	119,885
R & M Scott Properties Inc	Manufacturing	53,521	119,167
Slegg Holdings Ltd	Office / Retail	49,813	119,086
360204 BC Ltd	Office / Retail	47,572	111,265
Ko & Shew Ltd	Office / Retail	44,383	106,073
Sidney Terminal Holdings Ltd	Transportation / Freight	47,476	104,988
Looking Up Developments Ltd	Warehousing / Distribution	47,306	104,097
Beacon Community Association	Retail / Senior Care Facility	44,657	99,081
Megison Investments Ltd	Manufacturing	43,967	97,850
Pacific Island Holdings Ltd / Primeland Properties Limited	Office / Retail	42,375	93,360
Total		\$ 1,735,358	\$ 3,831,745

Source: Town of Sidney Finance Department

DEBT

(in thousands, except per capita data)

	2022	2021	2020	2019	2018
Gross Outstanding Debt	\$ 11,799	\$ 12,622	\$ 12,388	\$ 13,854	\$ 13,860
Less: Actuarial Allocation	1,767	2,215	1,840	1,547	1,315
Net Debt	\$ 10,032	\$ 10,407	\$ 10,548	\$ 12,307	\$ 12,545
Debt Servicing Cost	\$ 603	\$ 646	\$ 568	\$ 577	\$ 426
Population*	12,318	12,318	11,672	11,672	11,672
# of Households*	6,321	6,321	5,603	5,603	5,603
Net Debt per Capita	\$ 814	\$ 845	\$ 904	\$ 1,054	\$ 1,075
Net Debt per Household	1,587	1,646	1,883	2,196	2,239
Debt Servicing per Capita	\$ 49	\$ 52	\$ 49	\$ 49	\$ 36
Debt Servicing per Household	95	102	101	103	76

* Based on 2016 and 2021 census.

Source: Town of Sidney Finance Department
& Statistics Canada

STATEMENT OF FINANCIAL INFORMATION

(in thousands)

	2022	2021	2020	2019	2018
Financial Assets	\$26,816	\$28,858	\$32,881	\$25,862	\$21,306
Financial Liabilities	19,884	20,763	25,252	20,699	21,578
Net Financial Assets (Net Debt)	\$6,932	\$8,095	\$7,629	\$5,163	(\$272)

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands)

	2022	2021	2020	2019	2018
Revenue	\$25,326	\$24,920	\$26,973	\$32,648	\$22,006
Expenses	24,729	23,299	23,024	21,938	20,496
Annual Surplus	597	1,621	3,950	10,710	1,510
Accumulated Surplus, Beginning of Year	111,723	110,102	106,152	95,442	93,932
Accumulated Surplus, End of Year	112,320	111,723	110,102	\$106,152	\$95,442

Source: Town of Sidney Finance Department

REVENUES & EXPENSES

(in thousands)

	2022	2021	2020	2019	2018
Revenue					
Property Taxes	\$15,031	\$14,322	\$13,791	\$13,980	\$13,254
Fees, Rates and Service Charges	6,864	6,845	6,671	6,504	6,074
Government Transfers	1,861	2,306	4,655	2,104	1,511
Investment Earnings	614	210	293	413	310
Gifts and Contributions	655	1,049	1,410	1,290	527
Penalties and Interest	100	111	66	117	102
Actuarial Adjustments on Debt	50	67	63	54	46
MFA Debt Reserve Fund Surplus	-	-	-	1	1
Other	152	10	25	8,185	181
	\$25,326	\$24,920	\$26,973	\$32,648	\$22,006
Expenses by Function					
General Government	\$2,782	\$2,616	\$2,486	\$2,432	\$2,439
Protective Services	6,714	6,181	6,311	5,605	5,140
Transportation	4,135	3,992	4,299	4,329	3,632
Environmental Health Services	1,010	857	770	777	795
Environmental Development	617	631	571	523	423
Leisure, Parks and Cultural	3,541	3,367	3,180	3,056	2,965
Water Utility	2,263	2,302	2,189	2,140	2,121
Sewer Utility	2,496	2,358	2,209	2,066	2,144
Other	1,171	995	1,008	1,011	837
	\$24,729	\$23,299	\$23,024	\$21,939	\$20,496
Expenses by Object					
Salaries, Wages and Benefits	\$8,887	\$8,330	\$7,537	\$7,479	\$7,067
Contracted Services	8,884	8,037	7,937	7,561	7,632
Supplies and Equipment	2,802	3,087	2,971	2,665	2,644
Debt Interest	277	285	347	408	232
Amortization	3,169	2,993	2,996	2,933	2,494
Other	711	567	1,236	893	427
	\$24,729	\$23,299	\$23,024	\$21,939	\$20,496

RESERVE FUNDS

	2022	2021	2020	2019	2018
Reserves Set Aside by Council					
Miscellaneous Operating Purposes	\$ 1,194,879	\$ 1,728,984	\$ 2,777,352	\$ 374,458	\$ 312,415
Miscellaneous Capital Purposes	427,368	601,578	757,422	944,720	1,022,893
	1,622,247	2,330,562	3,534,775	1,319,178	1,335,308
Reserve Funds Set Aside for Specific Purposes by Council					
Land Sale Proceeds	477,104	634,912	1,060,663	3,130,542	164,485
Parkland Acquisition	228,644	223,344	221,344	218,744	132,194
Off-Street Parking	377,340	854,725	886,525	587,385	133,145
Alternative transportation	431,173	-	-	-	-
Computer Replacement	420,273	493,599	420,805	374,466	370,179
General Equipment Replacement	908,699	1,166,610	1,004,356	1,386,609	1,123,496
Fire Equipment Replacement	(451,523)	613,853	449,753	296,153	338,436
Water Capital	77,188	186,127	187,055	301,955	297,778
Sewer Capital	26,016	25,416	25,216	24,916	24,316
Infrastructure	3,657,766	3,035,180	2,465,155	1,780,666	895,347
Water Rates Stabilization	-	-	66,667	104,547	173,387
Amenities	1,807,667	1,627,757	1,320,279	371,622	213,314
Affordable Housing	-	-	-	513,528	160,255
Ferry Terminal	1,185,240	982,940	975,618	746,827	917,802
Contingency	-	-	-	88,233	86,033
Agreements	106,302	199,227	185,143	172,426	171,259
Climate action	121,091	-	-	-	-
Gax Tax - Community Works Fund	2,323,201	2,027,084	1,392,588	1,088,964	1,066,474
	11,696,181	12,070,774	10,661,167	11,187,582	6,267,900
Restricted Cash	133,156	131,473	141,097	108,429	81,101
Total Reserves	\$ 13,451,584	\$ 14,532,809	\$ 14,337,038	\$ 12,615,189	\$ 7,684,309

Source: Town of Sidney Finance Department

CAPITAL EXPENDITURES & FUNDING SOURCES

	2022	2021	2020	2019	2018
Expenditures					
General Government	\$ 226,762	\$ 64,392	\$ 467,892	\$ 123,889	\$ 112,255
Protective Services	1,417,159	555,240	420,628	5,815,618	7,945,527
Transportation	1,517,868	1,745,864	2,067,748	1,991,679	3,144,773
Environmental Development	-	-	13,082	10,479	-
Leisure, Parks and Cultural	318,831	635,595	1,361,661	174,303	280,840
Water Utility	555,280	152,042	187,794	106,129	507,599
Sewer Utility	586,503	257,851	285,931	21,493	482,123
	\$ 4,622,403	\$ 3,410,984	\$ 4,804,736	\$ 8,243,590	\$ 12,473,117
Funding Sources					
Property Taxes	\$ 134,617	\$ 196,086	\$ 125,278	\$ 195,267	\$ 87,973
Grants	52,036	31,357	54,664	-	25,000
Gifts & Donations	7,850	15,000	532,304	217,609	1,250
Gax Tax - Community Works Fund	271,770	496,548	241,756	1,090,334	1,347,463
Debt	-	265,000	43,437	-	7,000,000
Surplus from Operations	35,000	71,178	78,726	-	764,359
Agreements Reserve	20,694	-	11,083	24,561	15,291
Amenity Reserve	109,386	105,760	143,594	19,022	19,843
Computer Equipment Reserve	175,126	21,107	48,160	95,014	105,223
Ferry Terminal Reserve	-	1,678	2,209	361,074	52,721
Water Capital Reserve	113,339	2,628	118,500	3,223	104,965
General Capital Reserve	52,964	20,762	371,851	60,701	-
Infrastructure Reserve	1,255,213	1,194,376	1,017,211	756,281	2,473,998
Land Reserve	172,908	416,800	1,107,479	4,726,782	80,000
Off-Street Parking Reserve	33,333	80,000	-	-	-
Alternative Transportation Reserve	11,390	-	-	-	-
Vehicle Reserve	1,823,748	151,184	416,335	203,283	183,273
Water Rate Stabilization Reserve	-	67,267	39,179	73,140	59,772
Reserves Set Aside by Council - Capital	206,284	190,163	271,394	331,300	76,972
Offsite & Development Cost Charges	26,049	5,022	514	-	63,269
Climate Action Reserve	5,590	-	-	-	-
Other	115,106	79,068	181,062	86,000	11,746
	\$ 4,622,403	\$ 3,410,984	\$ 4,804,736	\$ 8,243,590	\$ 12,473,117

Source: Town of Sidney Finance Department

AMENITY CONTRIBUTIONS

	2022	2021	2020	2019	2018
Balance, Beginning of Year	\$ 1,627,757	\$ 1,320,278	\$ 885,150	\$ 373,569	\$ 156,142
Amounts Received	250,495	401,139	568,123	521,303	234,070
Expenditures	(109,386)	(105,760)	(143,594)	(19,022)	(19,843)
Interest Earned	38,800	12,100	10,600	9,300	3,200
Balance, End of Year	\$ 1,807,667	\$ 1,627,757	\$ 1,320,278	\$ 885,150	\$ 373,569

DEVELOPMENT COST CHARGES

	Drainage	Water	Sewer	Parkland	2022 Total	2021	2020	2019	2018
Balance, Beginning of Year	\$ 36,643	\$ 19,859	\$ 23,948	\$ 119,571	\$ 200,021	\$ 182,464	\$ 136,585	\$ 86,876	\$ 112,594
Amounts Received	-	-	-	10,535	10,535	19,110	50,415	47,509	15,190
Expenditures	-	-	-	-	-	(3,153)	(6,136)	-	(42,308)
Interest Earned	900	500	600	2,900	4,900	1,600	1,600	2,200	1,400
Waivers / Reductions	-	-	-	-	-	-	-	-	-
Balance, End of Year	\$ 37,543	\$ 20,359	\$ 24,548	\$ 133,006	\$ 215,456	\$ 200,021	\$ 182,464	\$ 136,585	\$ 86,876

PAYMENTS IN LIEU OF PARKING

	Off-Street Parking	Transportation	Alternative	2022 Total	2021	2020	2019	2018
Balance, Beginning of Year	\$ -	\$ 854,725	\$ 854,725	\$ 854,725	\$ 886,525	\$ 587,385	\$ 133,145	\$ 37,125
Amounts Received Through Development	5,000	5,000	10,000	10,000	40,000	288,300	457,100	90,600
Other Contributions	427,363 [^]	(427,363) [^]	-	-	-	3,840	3,840	4,720
Expenditures	(65,223)	(11,389)	(76,613)	(76,613)	(80,000)	-	(10,000)	-
Interest Earned	10,200	10,200	20,400	20,400	8,200	7,000	3,300	700
Balance, End of Year	\$ 377,340	\$ 431,173	\$ 808,512	\$ 808,512	\$ 854,725	\$ 886,525	\$ 587,385	\$ 133,145

[^] Payments received in lieu of parking is transferred into a reserve.

Effective 2022, this reserve is separated into two distinct purposes: Off-Street Parking and Alternative Transportation

Source: Town of Sidney Finance Department

COMMUNITY SUPPORT PAYMENTS & PROPERTY TAX EXEMPTIONS

	Community Support Payments	Municipal Property Tax Exemption	2022 Total	2021 Total
676 Kittyhawk Air Cadets Squadron	\$ 750	\$ -	\$ 750	\$ 750
Army, Navy and Air Force Veterans of Canada	-	21,188	21,188	21,218
ArtSea Community Arts Council	44,800	666	45,466	45,396
BC Aviation Museum	2,500	-	2,500	-
Beacon Community Services	7,000	-	7,000	7,000
Bike Victoria Society	1,000	-	1,000	1,300
Broadmead Care Society	-	13,975	13,975	16,123
Capital Regional District	10,000	-	10,000	10,000
Church of Jesus Christ of Latter Day Saints	-	13,321	13,321	11,636
Crisis Intervention & Public Information Society	-	-	-	700
Cycling Without Age Society	1,000	-	1,000	2,000
Farmlands Trust Society	-	-	-	5,000
FED Urban Agriculture Society	500	-	500	1,000
Greater Victoria Rental Development Society	-	14,125	14,125	13,682
KidSport Greater Victoria	-	-	-	3,000
Memorial Park Society / Mary Winspear Centre	365,600	109,709	475,309	439,289
Navy League of Canada	-	-	-	750
Need Crisis & Information Line	1,800	-	1,800	-
New Marine Centre Society	-	15,637	15,637	15,903
Peace Lutheran Church	-	8,127	8,127	7,683
Peninsula Celebrations Society	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 Chamber of Commerce	-	-	-	2,400
Saanich Peninsula Christadelphians	-	3,655	3,655	3,214
Saanich Peninsula Lions Food Bank	-	-	-	5,000
Saanich Peninsula Pipe Band	500	-	500	-
School District #63	13,033	-	13,033	11,861
Shaw Centre for the Salish Sea	205,000	-	205,000	205,000
Shoal Centre / Beacon Community Services	-	57,378	57,378	53,471
Shoreline Medical Society	-	12,266	12,266	12,448
Sidney & Peninsula Literary Festival	-	-	-	500
Sidney Arts and Media Society	800	-	800	-
Sidney Business Improvement Area Society	165,075	4,537	169,612	170,863
Sidney Guide & Scout Hall Society	1,000	4,313	5,313	5,156
Sidney Lawn Bowling Club	500	-	500	3,000
Sidney Lion's Food Bank	-	2,818	2,818	2,996
Sidney Museum and Archives Society	-	5,227	5,227	5,011
South Island Prosperity Project	31,782	-	31,782	26,129
St. Andrews Anglican Church / Abbeyfield Housing Society	-	9,184	9,184	10,760
St. Elizabeth Church	-	8,526	8,526	8,140
St. Paul's United Church	-	5,982	5,982	4,867
Torque Masters Car Club Association	1,000	-	1,000	-
Vancouver Island South Film & Media Commission	5,000	-	5,000	2,500
	\$ 881,640	\$ 310,634	\$ 1,192,274	\$ 1,146,744

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 rate increases.	Minimize tax rate increases	\$403,000 in Small Community Grants was received in 2022. These funds were used to fund general municipal services in 2022. A tax increase of 3.14% would have been required to generate the level of funding used in 2022.

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.	\$103,060 in Traffic Fine Revenue was received in 2022. These funds were used towards the police operating budget in 2022.

Source: Town of Sidney Finance Department

NUMBER OF FULL TIME EQUIVALENT MUNICIPAL EMPLOYEES

2022	93
2021	93
2020	86
2019	86
2018	87

Source: Town of Sidney Finance Department







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