

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022



TOWN OF SIDNEY

BRITISH COLUMBIA

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STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022

STATEMENT OF APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approve all the statements and schedules included in this Statement of Financial Information for the year ended December 31, 2022, produced under the *Financial Information Act*.



Andrew Hicik
Chief Financial Officer

June 27, 2023



Terri O'Keeffe
Acting Mayor, On behalf of Council

June 27, 2023

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in compliance with legislation, and in accordance with public sector accounting standards for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The integrity and objectivity of these statements are management's responsibility. Management is also responsible for the additional statements and schedules presented in this document, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The Town's Chief Financial Officer is responsible for assessing the management systems and practices of the Town.

The Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control.

The Town's independent external auditors, KPMG LLP, conduct an examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Town's system of internal control, and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. Their examination does not relate to the other schedules and statements required by the Financial Information Act. The external auditors have full and free access to Council and present their Audit Findings Report on an annual basis.

On behalf of the Town of Sidney,



Andrew Hicik
Chief Financial Officer

June 27, 2023

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022

FINANCIAL STATEMENTS



TOWN OF SIDNEY

BRITISH COLUMBIA

TOWN OF SIDNEY



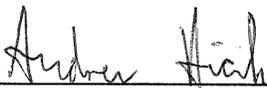
FINANCIAL REPORTING RESPONSIBILITY

The accompanying financial statements of the Town of Sidney (the “Town”) are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting standards for local governments, as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies 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 Municipal Council meets with management and the external auditors to review the financial statements and discuss any significant reporting or internal control matters prior to their acceptance of the financial statements.

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



Director of Corporate Services



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.

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

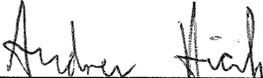
Victoria, Canada
May 8, 2023

TOWN OF SIDNEY

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)	<u>\$ 112,320,068</u>	<u>\$ 111,723,427</u>
Contractual rights (note 12)		
Commitments and contingent liabilities (note 13)		

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



Director of Corporate Services

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

Statement of Changes in Net Financial Assets (Net Debt)

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

	Budget 2022	Actual 2022	Actual 2021
	<i>(note 10)</i>		
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
	<u>(8,689,753)</u>	<u>(1,151,652)</u>	<u>496,463</u>
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
	<u>(8,689,753)</u>	<u>(1,163,102)</u>	<u>466,224</u>
Change in net financial assets	<u>(8,689,753)</u>	<u>(1,163,102)</u>	<u>466,224</u>
Net financial assets, beginning of year	8,094,782	8,094,782	7,628,558
(Net debt) / Net financial assets , end of year	<u>\$ (594,971)</u>	<u>\$ 6,931,680</u>	<u>\$ 8,094,782</u>

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

TOWN OF SIDNEY

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

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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:

TOWN OF SIDNEY

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	2021
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.

TOWN OF SIDNEY

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
	<u>\$ 11,798,978</u>	<u>\$ 1,767,009</u>	<u>\$ 10,031,969</u>	<u>\$ 10,407,608</u>

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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).

TOWN OF SIDNEY

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

TOWN OF SIDNEY

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

TOWN OF SIDNEY

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

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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

TOWN OF SIDNEY

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

TOWN OF SIDNEY

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.

TOWN OF SIDNEY

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.

TOWN OF SIDNEY
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

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF DEBTS

DEBT TYPE	DESCRIPTION	ORIGINAL LOAN PROCEEDS	PRINCIPAL BALANCE DEC 31/21	NEW DEBT 2022	PRINCIPAL PAID 2022	INTEREST PAID 2022	ACTUARIAL EARNINGS 2022	PRINCIPAL BALANCE DEC 31/22	INTEREST RATE	MATURITY YEAR
Long Term	Tulista Park	\$ 80,000	\$ 4,804	\$ -	\$ 3,995	\$ 900	\$ 809	\$ -	2.25%	2022
Long Term	Lochside/Iroquois	1,448,000	965,092	-	38,798	18,534	17,895	908,399	1.28%	2035
Long Term	Iroquois/Public Works Yard	1,073,000	761,292	-	28,750	15,773	11,131	721,411	1.47%	2036
Long Term	Public Works Yard	479,000	353,757	-	11,502	16,262	4,343	337,912	3.40%	2037
Long Term	Community Safety Building	3,000,000	2,734,282	-	63,058	94,500	8,427	2,662,797	3.15%	2047
Long Term	Community Safety Building	2,500,000	2,390,995	-	52,548	66,500	4,419	2,334,028	2.66%	2049
Long Term	Community Safety Building	3,000,000	2,924,973	-	73,950	59,700	2,579	2,848,444	1.99%	2050
Financing	Equipment	308,437	272,413	-	53,435	4,863	-	218,978	Variable	2026
Total Debt		\$ 11,888,437	\$ 10,407,608	\$ -	\$ 326,036	\$ 277,032	\$ 49,603	\$ 10,031,969		

Prepared pursuant to Financial Information Regulations, Schedule 1, Section 4

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022
SCHEDULE OF INDEMNITY AND GUARANTEES

No indemnity and guarantee agreements in 2022.

Prepared pursuant to Financial Information Regulations, Schedule 1, Section 5

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022
SCHEDULE OF REMUNERATION AND EXPENSES

ELECTED OFFICIALS		REMUNERATION			
NAME	POSITION	GROSS	BENEFITS	TOTAL	EXPENSES
McNeil-Smith, Cliff	Mayor	\$40,677	-	\$40,677	\$548
Duck, Stephen	Councillor	2,404	229	2,633	112
Duncan, Sara	Councillor	16,248	-	16,248	91
Fallot, Barbara	Councillor (former)	13,844	1,318	15,162	51
Garnett, Scott	Councillor	16,248	-	16,248	51
Novek, Richard	Councillor	2,404	444	2,848	173
O'Keeffe, Terri	Councillor	16,248	1,449	17,697	604
Rintoul, Chad	Councillor	16,248	-	16,248	51
Wainwright, Peter	Councillor (former)	13,844	1,318	15,162	51
Total Elected Officials		\$138,164	\$4,758	\$142,923	\$1,735

EMPLOYEES

NAME	POSITION	REMUNERATION		EXPENSES
Benson, Greg	Fleet Mechanic	\$	84,541	\$ -
Charlebois-Page, Patricia	Asset Management / Mapping Technician		80,076	3,207
Chen, Kathy	Acting Manager of Finance		106,327	2,751
Clary, Jenn	Director of Engineering		140,193	889
Collins, Greg	Purchaser - Inventory Controller		76,776	-
Cooke, Robert	Safety Coordinator/Yard Person		77,849	1,969
Coward, Kory	Crew Chief (Underground Utilities)		79,248	726
Demaere, Bruce	Manager of Engineering		120,038	440
Ford, Richard	Career Firefighter		117,277	664
Green, Ron	Electrician		91,662	478
Halliday, Clifford Sr	Foreman, Parks		91,979	393
Harman, Mike	Deputy Fire Chief		164,252	3,547
Hicik, Andrew	Director of Finance		150,199	441
Humble, Randy	Chief Administrative Officer		191,578	371
James, Andre	Senior Building Official		99,777	1,066
Joe, Jesse	GIS Technician		80,225	-
Jones, Dan	Building Official		86,683	1,669
Judson, Laura	Manager of Communications		108,824	1,005
Kimber, Mike	Foreman, Underground Utilities		106,154	422
Maxwell, Will	Manager of Information Services		120,038	-
McArthur, Deborah	RCMP - Office Manager		96,728	-
McLaughlin, Cory	Chargehand (Underground Utilities)		81,887	-
Mikkelsen, Brett	Fire Chief		198,411	14,264
Nelson, Sandi	Corporate Officer		115,331	542
Neustaeter, Eldon	RCMP - Computer Systems Analyst		79,054	-
Newcomb, Corey	Sr. Manager Long-Term Planning		123,547	1,899
Pelton, Craig	Career Firefighter		112,834	668
Pryor, Michael	Senior Arborist		78,906	764

Robinson, Brian	Manager Public Works & Parks	129,834	422
Robinson, Ken	Fleet Mechanic	84,221	-
Roy, Richard	Municipal Planner	77,098	255
Sumberac, Adriano	Foreman, Surface Infrastructure	119,270	104
Verhagen, Alison	Sr. Manager Current Planning	126,853	1,392
Wilson, Annette	Police Clerk III (Crime Analyst/Quality Control)	80,135	-
Youell, Matt	Crew Chief (Underground Utilities)	84,613	602
		<u>\$3,762,417</u>	<u>\$40,950</u>
Consolidated total of other employees with remuneration of \$75,000 or less:		4,178,884	n/a
Total Employees		<u>\$7,941,300</u>	<u>\$40,950</u>

Council Insurance Policies:

2022 Accident Death & Dismemberment Insurance for loss resulting from injury while performing duties associated with the position - AIG Insurance Company Policy #VFP 9149863

Principal Sum - \$250,000 Weekly Accident Indemnity - \$750 Accident Reimbursement - \$25,000

Disclosure of contracts with Council members:

There were no contracts with Council members.

Employer Portion:

Employment Insurance:	\$ 117,108
Canada Pension Plan:	333,875
	<u>\$ 450,983</u>

Reconciliation:

Total Remuneration - Elected Officials	\$142,923
Total Remuneration - Employees	<u>7,941,300</u>
Subtotal	8,084,223
Total per Consolidated FS Note 11	<u>8,887,095</u>
Variance*	<u>\$ (802,872)</u>

* Note 11 to the Consolidated Financial Statements provides a listing of expenses by object. The amount of \$8,887,095 includes salaries, wages, employer benefit costs (i.e. dental, health, pension), payroll taxes (CPP, EI, WCB) and other employer paid payroll costs (i.e. severances, employee benefit obligation, allowances), whereas the amount of \$8,084,223 shown above for the Schedule of Remuneration and Expenses represents only salaries, wages and taxable benefits (life insurance and AD&D). Furthermore, the Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles for local governments, and as such are prepared on an accrual basis and exclude wages paid on capitalized items. The Schedule of Remuneration and Expenses does not incorporate accrual accounting and represents amounts actually paid during 2022.

Severance Agreements:

There were no severance agreements between the Town of Sidney and its non-unionized employees during fiscal year 2022.

Prepared pursuant to Financial Information Regulations, Schedule 1, Section 6
Prepared in accordance with Section 107 & 168 of the Community Charter

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2022

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000:	Aggregate amount paid to supplier
Supplier Name	
Receiver General for Canada - Police Agreement	\$ 2,177,262
Capital Regional District - Grant/Requisition	1,692,591
Capital Regional District - Water Consumption	1,351,854
Brindlee Mountain Fire Apparatus LLC	1,052,919
Vancouver Island Regional Library	839,644
EMTERRA Environmental	510,136
Vimar Equipment Ltd	470,934
Emco Corporation	388,498
GVLRA LTD Trust	388,196
W.A. Jones & Sons Trucking Ltd	376,994
BC Hydro	328,255
Socor Contracting Ltd	315,313
Capital City Paving Ltd	266,041
Parkland Corporation	209,812
Island Asphalt Company	206,819
CDW Canada Corp	188,478
Sidney Museum & Archives Society	124,396
ICBC	119,283
Municipal Insurance Association of British Columbia	115,157
Flagtrux Traffic Control	112,510
Minister of Finance - Agriculture & Lands	108,871
Aon Reed Stenhouse Inc	103,154
Paladin Technologies	93,905
District of North Saanich	88,914
Guardian Angel / Purity Cleaning	85,196
CentralSquare Canada Software Inc	84,676
Onsite Engineering Ltd	76,242
Enviro Float Manufacturing (2002) Ltd	68,807
Urban Systems Ltd	67,721
Thurber Engineering Ltd	66,789
Beacon Community Services	62,491
Goldstream Rock Products Ltd	61,595
City of Surrey	60,933
Capital Regional District - Animal Control	58,800
Robbins Parking Service Ltd	58,203
FortisBC	56,605
Scho's Line Painting Ltd	55,500
Butler Concrete & Aggregate Ltd	54,129
Telus Communications Inc	54,078
Strata Corporation # VIS 5564	53,528
Microsoft Canada	52,415
MODUS	52,197
Sidney Volunteer Firefighter's Association	51,361
Lions Gate Consulting Inc	51,206

Lehigh Materials	49,393
Softchoice Corporation	49,375
Jenner Chevrolet Buick GMC Ltd	47,861
Duncan Electric Motor Ltd	46,058
Top Line Roofing Ltd	45,646
Watt Consulting Group	45,218
Swing Time Distributors LTD	43,473
Black Press Group Ltd	42,421
Sweeping Success Janitorial	42,034
Green Island G Auto Ltd dba Island GM	41,500
Super Save Disposal Inc	38,088
Britco BOXX Limited Partnership	37,274
MacNutt Enterprises Ltd	36,299
Strata Corporation #4994	36,211
Mary Winspear Community Centre	35,117
Capital Region Emergency Services Telecommunication Inc	32,270
P. & R. Western Star Trucks	31,668
PrairieCoast Equipment Inc	29,856
Site One Landscape Supply, LLC	29,601
Slegg Building Materials	28,697
3388646 Canada Inc	28,499
Associated Fire & Safety	26,635
Young, Anderson Barristers & Solicitors	26,597
KPMG	26,402

\$ 13,758,601

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

\$ 1,824,506

3. Consolidated total of all grants and contributions exceeding \$25,000

\$ 812,257

4. Reconciliation

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$ 13,758,601
Consolidated total of payments of \$25,000 or less paid to suppliers	1,824,506
Consolidated total of all grants and contributions exceeding \$25,000	812,257
	<u>16,395,364</u>
Total per Consolidated Statement of Operations	11,685,680
Add: Expenditures for capital purposes *	<u>4,850,636</u>
Variance **	<u>\$ (140,952)</u>

* Pursuant to public sector accounting standards for local governments, capital expenditures are not considered expenses. However, as this report is prepared on a cash basis, and cash outlays occurred in 2022 for capital purchases, the amount of these purchases is included in this reconciliation.

** The Consolidated Financial Statements are prepared in accordance with public sector accounting standards for local governments, and as such are prepared on an accrual basis. The Schedule of Payments Made for the Provision of Goods or Services does not incorporate accrual accounting and represents amounts actually paid during 2022. The amounts shown on the Schedule of Payments Made for the Provision of Goods or Services include the GST paid to suppliers, where applicable, whereas the Financial Statements do not.

Prepared pursuant to Financial Information Regulations, Schedule 1, Section 7