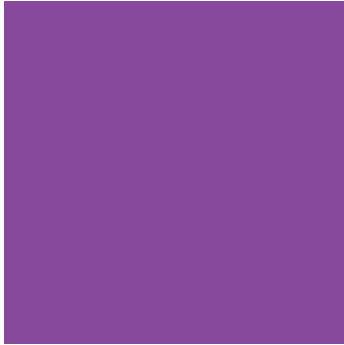


2017

ANNUAL REPORT

Year ended December 31, 2017





Town of Sidney Annual Report for the year ended December 31, 2017. This report was prepared by the Administration and Corporate Services Departments, with contributions from throughout the organization.

- Sidney, British Columbia, Canada

TABLE OF CONTENTS

Community Profile & Annual Highlights	2
Mayor's Message	4
Council Portfolios	5
Message from the Chief Administrative Officer	6
Message from the Chief Financial Officer	7
Sidney & the Region	8
Demographic Information	10
Organizational Chart & Appointed Officers	11
Departments	12
Administration	12
Corporate Services	14
Development Services	16
Engineering, Public Works & Parks	19
Fire Services	20
Police Services	23
Strategic Plan & Progress Report	25
Resilient Economy	26
Balanced Demographic	27
Quality Living Environment	28
Financial Information	29
Management Discussion & Analysis	30
Consolidated Financial Statements	36
Financial Reporting Responsibility	36
Independent Auditor's Report	37
Statement of Financial Position	38
Statement of Operations and Accumulated Surplus	39
Statement of Changes in Net Financial Assets	40
Statement of Cash Flows	41
Notes to Financial Statements	42
Statistical Information	58
Taxable Assessments of Land & Improvements	60
New Construction	60
Property Tax Rates & Revenue	61
Property Tax Levied and Collected	62
Principal Corporate Tax Payers	63
Debenture Debt	64
Statement of Financial Position	65
Consolidated Statement of Operations	65
Revenues and Expenses	66
Reserve Funds	67
Capital Expenditures & Funding Sources	68
Amenity Contributions	69
Development Cost Charges	69
Payment in Lieu of Parking	69
Community Support Payments & Property Tax Exemptions	70
Strategic Community Investment Funds Plan and Progress Report	71



COMMUNITY PROFILE & ANNUAL HIGHLIGHTS





MESSAGE FROM THE MAYOR

On behalf of Sidney Council and the Town of Sidney, I am very pleased to present the Annual Report for 2017.

The year began with a celebration of our community's 50th Anniversary of incorporation as a Town and it carried on throughout 2017 as we marked the 150th Anniversary of Canadian Confederation. The Town was vibrant and decked out in red and white as we rolled out an unprecedented program of events and initiatives that recognized the history, culture and people that have all contributed to making Sidney the best seaside town in Canada. It was a spectacular undertaking that was made possible by hundreds of people who volunteered and participated to make this a very grand year of celebration.

Simultaneously, we carried on through another busy year of growth and economic prosperity where a total of 133 building permits were issued and 114 new units developed. We also saw some significant community projects begun or complete such as the groundbreaking for the new Community Safety Building and the opening of our very popular new waterfront skatepark.

I must commend our staff for their hard work and dedication to the community and its residents. From the fabulously decorated streets, to the colourful flowerbeds and well-manicured parks, to the high volume of development permits being processed and the always professional manner in which they serve the public; we have a remarkable team of people.

As well, I would like to thank and recognize my fellow Councillors who continuously strive to work together and to make the very best decisions we can based on what's best for the overall community. Each and every one of us is devoted to this community and to ensuring its long-term growth and vibrancy.

A handwritten signature in black ink that reads "Steve Price". The signature is written in a cursive, flowing style.

Mayor Steven Price



(Left to right) Sitting: Councillor Barbara Fallot, Councillor Mervyn Lougher-Goodey, Mayor Steve Price, Councillor Cam McLennan, and Councillor Erin Bremner-Mitchell; Standing: Councillor Tim Chad, Town Crier Kenny Podmore, and Councillor Peter Wainwright

COUNCIL PORTFOLIOS

Mayor Steve Price

Capital Regional District Board
 Greater Victoria Labour Relations
 MPS Joint Finance Steering Committee
 Municipal Insurance Association of BC
 Peninsula Recreation Commission
 Ports & Waterfront Infrastructure Comm.
 South Island Prosperity Project

Councillor Tim Chad

Ball Facility Liaison Committee
 CREST
 Emergency Measures Executive
 Emergency Planning Committee
 Memorial Park Society and Joint Finance Steering Committee
 Peninsula Recreation Commission
 RCMP Community Consultative Committee
 Victoria Family Court

Councillor Erin Bremner-Mitchell

Beacon Community Services
 CRD Arts Commission
 Economic Development Commission
 School District No. 63
 Sidney Museum & Archives Society
 Vancouver Island Regional Library

Councillor Mervyn Lougher-Goodey

Advisory Planning Commission
 CRD Water Supply Commission
 MPS Joint Finance Steering Committee
 Ports & Waterfront Infrastructure Committee
 Saanich Peninsula Chamber of Commerce
 Saanich Peninsula Water Commission and Wastewater Committee

Councillor Peter Wainwright

First Nations Liaison
 Ports & Waterfront Infrastructure Committee
 Saanich Peninsula Water Commission and Wastewater Committee

Councillor Cam McLennan

Ball Facility Liaison Committee
 Peninsula Celebrations Society
 Sidney Business Improvement Area Society
 Sidney Community Association
 Sidney Events Advisory Group
 Victoria Airport Authority (VAA) Consultative Committee
 VAA Noise Management Committee

Councillor Barbara Fallot

Community Arts Council of the Saanich Peninsula
 CRD Climate Action Steering Committee
 CRD Housing Trust Fund
 CRD Solid Waste Advisory Committee
 Shaw Centre for the Salish Sea
 SHOAL Centre
 Sister Cities Association



MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

As the Chief Administrative Officer of the Town, I am impressed and proud of the abundance of great work that is being presented in this 2017 Annual Report.

It is my job, and that of Town staff, to support and carry out the work associated with Council's Strategic Plan. This year was by far one of the busiest and most ambitious we have witnessed in a long time. This is largely due to an exceptionally strong housing and construction market, but also partly due to the robust, and focused priorities established by Council for our community.

Throughout this year, I have continually been impressed by the diligence and passion that is regularly displayed by Town staff for their work. Each member of our team has contributed to achieve the positive results set out in this Annual Report.

Sidney has strived to be an employer of choice, to create a work environment that is positive, cooperative and offers opportunity to its employees. As a result, we are the beneficiaries of a well-run, efficient town and a workforce that can be proud of what they have accomplished.

We look forward to continuing to serve the citizens of Sidney and to support Sidney Council in their efforts to make Sidney the best seaside community in Canada.

A handwritten signature in black ink, appearing to read 'Randy Humble'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Randy Humble
Chief Administrative Officer



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, 2017. 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, 2017. The Town maintains a system of internal accounting controls designed to safeguard the assets of the Town and provide reliable financial information.

For most people, financial statements are hard to read, and they don't provide the concise and relevant information that the average reader is looking for. We are continually striving to make them simpler, but national accounting standards require us to present our financial results in a specific manner and format. To assist the average reader in better understanding our financial statements, a Management Discussion and Analysis report has been included to support the financial statements.

Executive Summary of Financial Results

As detailed in the 2017 Financial Statements, the Town's financial results reflect an improved financial position and a continued commitment to sound financial management. Operating results for last year were slightly better than budgeted expectations, the Town's net investment in capital assets increased by \$3,149,051, and reserves grew by \$474,638. All of this puts us in a better position to provide sustainable services to our community over the long term.

The Town continues to have low levels of debt and a reasonable level of 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. Senior governments incur deficits and debt to finance their operations as a whole. Sidney is only allowed to incur debt for capital purposes, and must maintain an operating surplus; the Town's consolidated operating surplus now stands at \$4,392,018. Even with the approval of borrowing for the new Community Safety Building, the Town will be well below authorized debt limits.

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.

A handwritten signature in black ink that reads "Andrew Hicik". The signature is written in a cursive, slightly stylized font.

Andrew Hicik
Director of Corporate Services
May 7, 2018



SIDNEY & THE REGION

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).

Sidney's geographic area is only 5.04 square kilometres (1.94 square miles), which explains Sidney's high population density (2,290.7 people per square kilometre). Data from Statistics Canada indicates that Sidney's population grew by 4.4% between 2011 and 2016*.

*Source: Census 2016

Sidney lies within an area that is quickly becoming 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, that practices exemplary environmental stewardship, and encompasses a prosperous and sustainable economy.

Sidney's geographic area is only 5.04 square kilometres (1.94 square miles), which explains Sidney's high population density (2,290.7 people per square kilometre). Data from Statistics Canada indicates that Sidney's population grew by 4.4% between 2011 and 2016*.

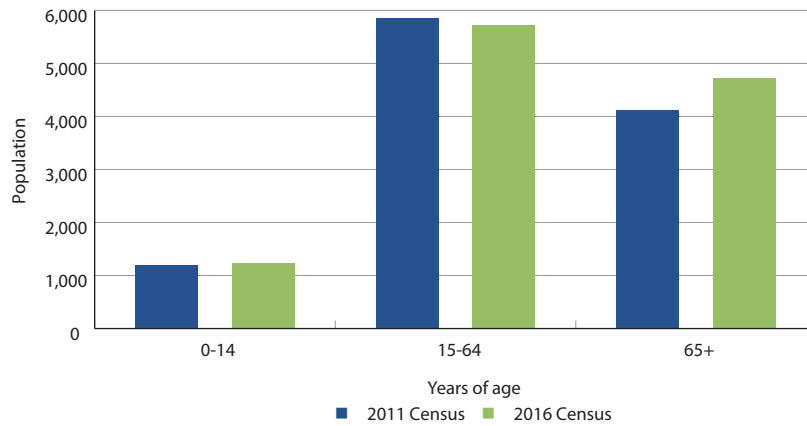
Regionally, the Town of Sidney is a key transit hub and offers a variety of transportation options. The Sidney International Ferry Terminal (Sidney/Anacortes ferry route), operated by Washington State Ferries, offers a valuable service which is enjoyed by residents and visitors from all over the world. Sidney is also 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. In addition, Sidney is pedestrian and cyclist friendly, transit focused, safe, and socially diverse. Sidney's employment sector is generally made up of industrial, retail and healthcare services. Our climate is one of the mildest in Canada, with moderate rainfall and only occasional snowfall in the winter.

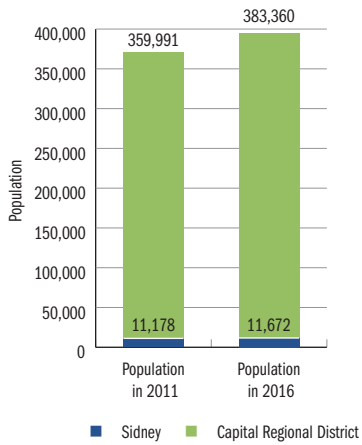


DEMOGRAPHIC INFORMATION

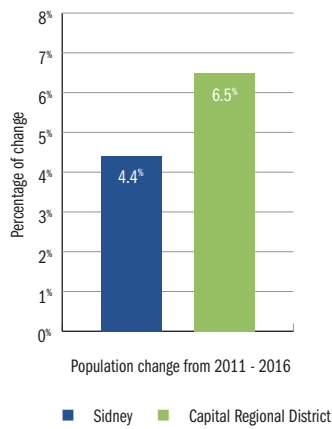
Sidney's age distribution



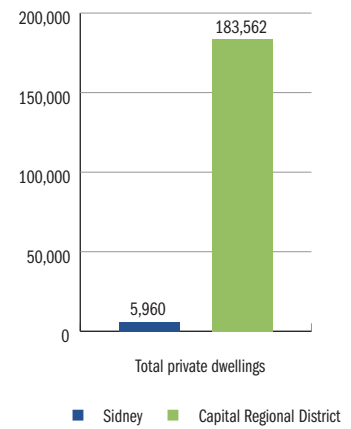
Population in 2011 and 2016



% change in population

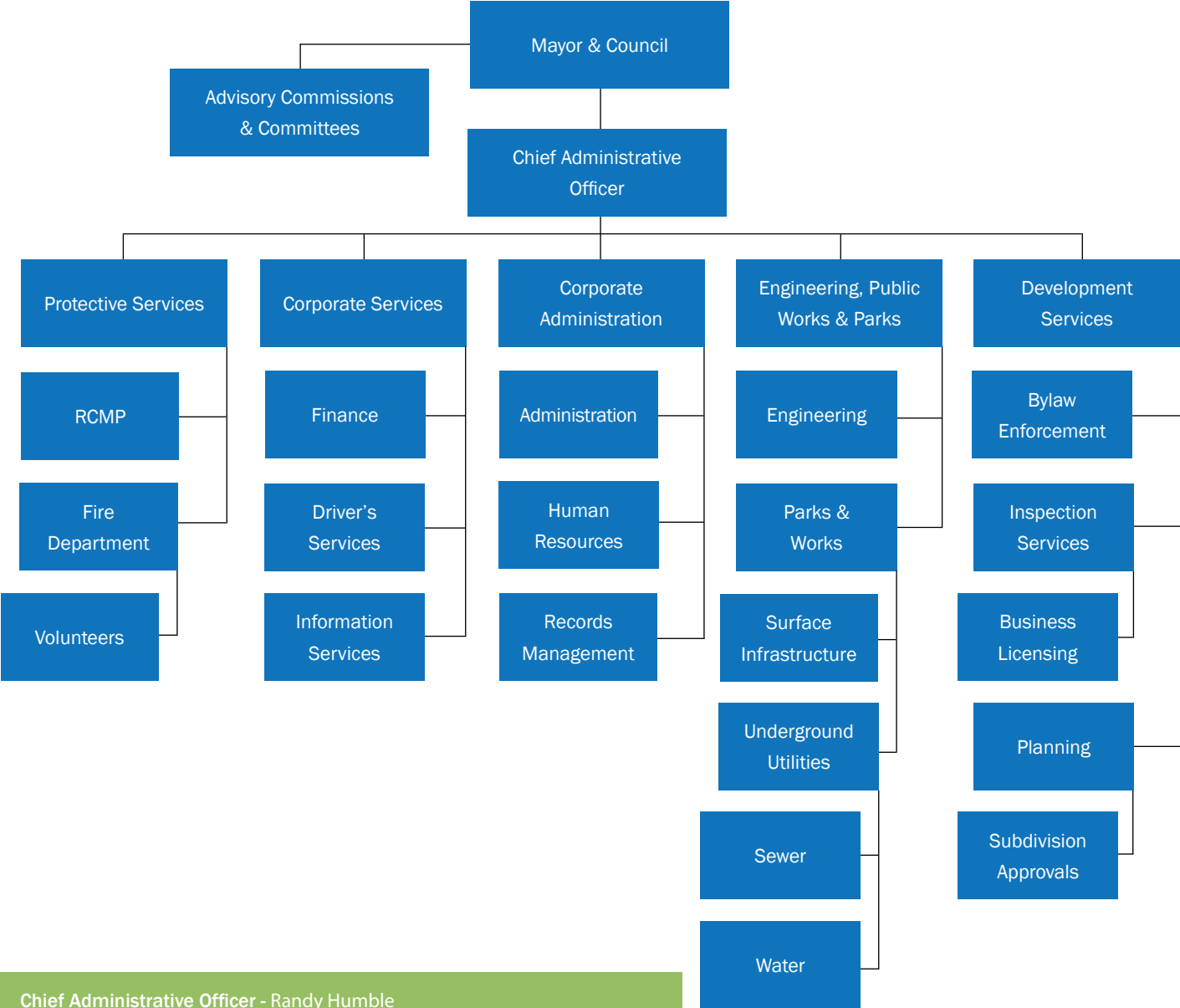


Total private dwellings



Source: Census 2016

ORGANIZATIONAL CHART & APPOINTED OFFICERS



Chief Administrative Officer - Randy Humble
 Director of Development Services, Engineering, Parks & Works - Tim Tanton
 Director of Corporate Services - Andrew Hicik
 Fire Chief - Brett Mikkelsen
 Municipal Auditors - KPMG
 Municipal Solicitors - Young, Anderson
 Municipal Bankers - TD Canada Trust



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, for public communications and human resources for the organization.

Key functions include:

- 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 relative 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;
- Conducting local government and school trustee elections.

While the majority of the work in the Department consists of routine, day-to-day responsibilities, staff are also focused on completing some special projects and initiatives, such as the following:

2017 Highlights

- Continued to assist with construction of the new Community Safety Building and Employee Parking Lot;
- Began process for disposition of existing Fire Hall/Parking lot lands;
- Continued with negotiations for acquisition and lease of Port Sidney Marina Breakwater;
- Entered into new agreement with SBIA for revitalization of the Sculpture Walk;
- Began upgrades to the Council Chambers;
- Continued collective bargaining process for new contract for Union employees;
- Delivered the Sidney 50th and Canada 150 program of special events.

2018 Initiatives

- Continue to assist with construction of the new Community Safety Building and Employee Parking Lot;
- Complete the disposition of the existing Fire Hall / Parking lot lands;
- Continue with negotiations for acquisition and lease of Port Sidney Marina Breakwater;
- Begin administration of the Street Banner program;
- Continue with upgrades to Council Chambers;
- Undertake the disposition of 9991 Fifth Street;
- Respond to the Auditor General for Local Government's review of the Town's Emergency Management program;
- Complete collective bargaining and implementation of new contract for Union employees;
- Undertake the 2018 Local Government Election.

ADMINISTRATION AT A GLANCE

2017

	COUNCIL MEETINGS	COMMISSIONS/COMMITTEES MEETINGS
 <p>MEETINGS</p>	<p>23 Regular/Special Council Meetings</p> <hr/> <p>14 Council In Camera (closed) Meetings</p> <hr/> <p>17 Committee of the Whole Meetings</p>	<p>10 Advisory Planning Commission</p> <hr/> <p>3 Audit & Finance</p> <hr/> <p>0 Board of Variance</p> <hr/> <p>16 Economic Development Commission</p> <hr/> <p>1 Ports & Waterfront Infrastructure Committee</p>
 <p>BYLAWS & POLICIES</p>	<p>6 New Bylaws</p> <hr/> <p>11 Amended Bylaws</p> <hr/> <p>2 Repealed Bylaws</p>	<p>2 New Policies</p> <hr/> <p>12 Amended Policies</p>
 <p>FOIPP REQUESTS</p>	<p>18 Freedom of Information and Protection of Privacy Requests</p>	 <p>HUMAN RESOURCES</p> <p>11 Job Postings</p> <hr/> <p>4 Retirements</p>



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); and
- 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

The Driver Services section of Corporate Services provides local services for residents of the Peninsula and beyond. As appointed agents, staff at the 9884 Third Street office offer a wide variety of driver licencing and ICBC Autoplan services, products and information.

Information Services

Information Services provides technical leadership, solutions, service and support for all the Town's integrated hardware, software, GIS, EOC, wireless and telephone systems at five locations; the Town Hall, Driver Services, Fire Department, Public Works, and Parks.

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.

2017 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:

- Initiated construction of the new Community Safety Building, monitored and reported on costs, and secured first portion of project borrowing;
 - Initiated process to sell existing fire hall property to assist with financing of new Community Safety Building;
 - Completed lease with BC Emergency Health Services to maintain BC Ambulance service in Sidney;
 - Completed leasing arrangements for land required for downtown employee parking lot;
 - Completed the renewal of the Sidney BIA for an additional 5-year term;
 - Implemented email archiving system to improve file management;
 - Assisted with implementation of Carsharing service in Sidney;
 - Implemented eBilling for property taxes;
 - Received Canadian Award for Financial Reporting for the Town's Annual Report for fourth consecutive year;
 - Driver Services earned a Broker Customer Experience Award, along with the associated financial reward to the Town, for a sixth consecutive year;
 - Assisted with audit of Town's emergency services by the Auditor General for Local Government.
-
- 2017 municipal taxes per average residence: **\$116/month** (2016: \$115/month)
 - Total municipal taxes collected in 2017: **\$10.98 million** (2016: \$10.76 million)
 - Total municipal expenditures in 2017: **\$19.6 million** (2016: \$19.1 million)

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

- Continue the enhancement of asset and work management software, adding more functionality each year;
- Collaborate with Engineering & Works on enhanced Asset Management practices;
- Review funding levels and capacity for long term infrastructure replacement;
- Continue enhancements to financial reporting to make financial information more accessible to the public;
- Continually review the Town's financial policies and practices for maximum efficiency;
- Refine the Town's taxation policies;
- Review the Town's Utility Fees structure;
- Continue monitoring the cost of construction of the new Community Safety Building;
- Complete the sale of existing fire hall property to assist with financing of new Community Safety Building;
- Complete sub-lease transfer and extension related to Port Sidney Marina, to enhance economic impact of key waterfront asset;
- Work with Washington State Ferries on response to pending changes to border pre-clearance regulations;
- Follow up on financial planning required following completion of three key Town projects: Downtown Waterfront Vision, West Sidney Local Area Plan, and Downtown Streetscape & Urban Design Standards;
- Continue enhancements to Town's GIS capabilities, including implementation of Community Map for public use;
- Continue to identify efficiencies in the Town's computer network infrastructure;
- Complete security audit of Town's computer systems;
- Support network changes and hardware relocation associated with move to post-disaster Community Safety Building;
- Support ongoing improvements to the Business section of Town website;
- Assist with improvements to the Town's Business Continuity Plan;
- Review the Town's Risk Management policies.



DEVELOPMENT SERVICES

The Development Services Department provides service in the areas of municipal planning, building permits and inspections, business licensing, and bylaw enforcement. 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 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. Administration of the Zoning Bylaw through land use development review serves to implement the OCP, ensuring an integrated approach to community growth and sustainability in Sidney.

Building Permits and Inspections

Building Permits and Inspections is responsible for monitoring building construction by ensuring compliance with the BC Building, Plumbing and Fire Codes. To promote health, life-safety and fire prevention throughout the community, Building Inspection personnel work closely with property owners, developers, other agencies, and the Fire Department. Functions include plan review, issuance of permits for new construction and renovations, and inspection of premises for code compliance prior to the issuance of occupancy. 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.

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 2017, the Town issued 844 Business Licences, including 101 to new businesses, for a total revenue of \$87,525.

Bylaw Enforcement

Bylaw Enforcement is responsible for regulatory bylaw administration and day-to-day enforcement activities. This includes enforcement action, ongoing consultation, and coordination with other departments in the review and modification of regulatory bylaws as required.

Bylaw Enforcement works with the RCMP to implement and enforce the Streets and Traffic Bylaw governing traffic and parking related matters. The Senior Bylaw Enforcement Officer oversees and administers parking enforcement through contracted services with the Commissionaires and Robbins Parking. Commissionaires conduct routine patrols to ensure compliance with downtown parking restrictions and provide response to all areas of Sidney by request. Robbins patrols certain specified areas, such as the Boat Launch and surrounding neighbourhood.

Animal Control issues are also overseen and administered by the Senior Bylaw Enforcement Officer through a contracted service with CRD Bylaw Enforcement. CRD Bylaw Enforcement Officers conduct regular patrols of Sidney and also respond to specific requests for service.

2017 New Dwelling Units Constructed



Multi-family - New	61
Two-family - New	12
Single-family - New	29
Single-family to two-family (adding a legal suite)	10
Conversion to live/work	2
Total new units	114

2017 Permits Issued



Building permits issued (with construction value)	139
Plumbing permits (no construction value associated)	153
Demolition permits (no construction value associated)	26
Fire dept & solid fuel permits (no construction values associated)	16
Total permits issued	334
Total construction value	\$34,452,671

2017 Highlights

Planning and Building Applications

Much of the Development Services department's time in 2017 was spent reviewing and processing the high volume of development applications for new residential and commercial development in the Town. The following are some of the major development proposals approved by Council in 2017:

2526 Bevan Avenue: Development Permit and Development Variance Permit applications to permit the construction of a four storey mixed use commercial/residential development with ground floor commercial space and 21 residential dwelling units.

2211, 2213, and 2215 James White Boulevard: Official Community Plan Amendment, Zoning Amendment, Development Permit, and Development Variance Permit applications to permit the construction of a multi-family residential development consisting of three three-storey buildings, each containing eight residential dwelling units.

2268-2270 Henry Avenue: Official Community Plan Amendment, Zoning Amendment, Development Permit, and Development Variance Permit applications to permit the construction of a three storey eight unit multi-family residential development.

9716 Third Street: Development Permit and Development Variance Permit applications to permit the construction of a four storey mixed use commercial/residential development with ground floor commercial space and nine residential dwelling units.

9775 Fourth Street: Development Permit and Development Variance Permit applications to permit the construction of a five storey mixed use commercial/residential development with three ground floor live-work units and 19 residential dwelling units.

2471 Bevan Avenue: Development Permit and Development Variance Permit applications to permit the construction of a four storey mixed use commercial/residential development with two ground floor live-work units and 2 residential dwelling units.

10106-10108 Resthaven Drive: Development Permit and Development Variance Permit applications to permit the construction of a two storey multi-family residential development with eight residential townhouse dwelling units.

10490 Resthaven Drive: Development Permit and Development Variance Permit applications to permit the construction of a 2.5 storey multi-family residential development with eight residential townhouse dwelling units.

Department Projects

The following initiatives commenced or were continued in 2017:

Downtown Mixed-Use and Multi-Family Residential Density Study: This study reviewed how the Town of Sidney regulates downtown commercial mixed use and multi-family residential density in the Official Community Plan and Zoning Bylaw, and recommended a new approach for determining density in a manner that is suitable to Sidney's unique environment. The recommended changes to the OCP and bylaws were approved by Council in March 2017.

West Sidney Local Area Plan: The purpose of this Local Area Plan was to evaluate existing land use and transportation conditions and provide a "road map" forward to establish a foundation that will help direct future change and investment in the area. The Local Area Plan was developed in 2017, including public consultation, and adopted by Council as part of the OCP in October.

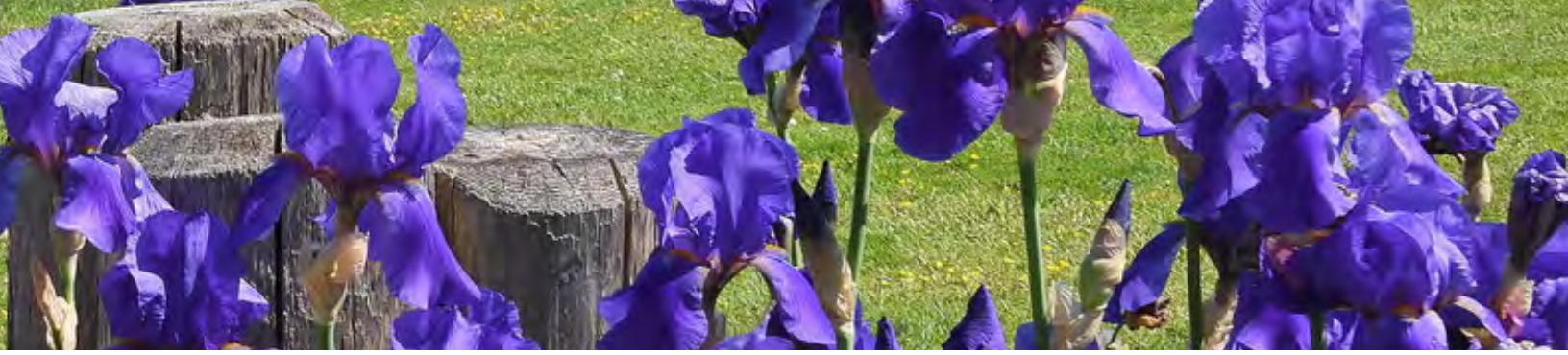
Downtown Streetscape and Urban Design Standards: The intent of this project is to establish design standards for downtown streets that focus on encouraging active transportation and the creation of "places for people" in the downtown as well as to develop design standards for downtown buildings, focusing on quality urban design that will help to enhance the central social, cultural and economic role of Sidney's downtown.

Downtown Waterfront Vision: The goal of the project was to identify options for adding vibrancy and vitality to this area, enhancing it as a place where residents and visitors enjoy spending time throughout the year. This long-term plan for Sidney's downtown waterfront and waterfront assets was adopted by Council in May 2017.

Other 2017 Department Initiatives: Comprehensive reviews of the Business License Bylaw and the Off-Street Parking and Loading Bylaw were completed, with Bylaw revisions subsequently adopted by Council.

2018 Initiatives

- Completion of the Downtown Streetscape and Urban Design Standards
- Development of a West Side Village Master Plan to guide redevelopment



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 all municipal buildings and facilities.

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, the procurement of fleet vehicles and of specialized services such as asphalt paving and video camera pipe 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 is not available, Engineering is responsible for the procurement of professional services through a proposal process.

The Public Works Division is responsible for the maintenance and repair of all roads, traffic signals, streetlights, street signs, sidewalks, bus shelters, storm drainage, wastewater collection (including pump stations), water mains, service connections and meters, fire hydrants, and water main valves. Public Works also maintains the municipal vehicle fleet, municipal buildings, and roadside litter collection.

The Parks Division is responsible for the upgrade and maintenance of all 28 Town parks, including the Rotary Park “Field of Dreams,” 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, as well as administering the downtown beautification and banner programs, and annual Christmas light displays throughout the Town.

2017 Highlights

- Completed construction of Tulista Skateboard Park;
- Began creation of Parks Master Plan;
- Ordered components for Public Works Yard Solar Project;
- Replaced water mains on Northbrook Drive and Wesbrook Drive;
- Replaced Resthaven Drive sewer;
- Completed design for Tulista Park sand volleyball court;
- Upgraded Traffic Signals at Seventh Street/Beacon Avenue;
- Repaved Resthaven Drive (Malaview to Ardwell), Colinwood Road, Eastbrook Drive and Gail Place;
- Implemented MODO car share service;
- Administered Canada 150 decoration program.

2018 Initiatives

- Completion of Parks Master Plan;
- Install sand volleyball court at Tulista Park;
- Repair and replace ferry terminal marine structures;
- Replace Ardwell Avenue storm and sanitary sewers;
- Replace Epco Drive storm sewer;
- Complete Engineering and Fishery Studies for Reay Creek Dam;
- Install new sidewalk in Tulista Park;
- Install Henry Avenue Crosswalk;
- Complete upgrades to Boulder Park;
- Upgrade bike path on west side of Hwy 17;
- Complete sidewalk on Galaran Road;
- Repave Resthaven Drive (Henry to Mills), Second Street (Bevan to Sidney), and Wesbrook Drive;
- Complete White Birch water main loop;
- Complete design for Harbour Pump Station replacement;
- Completion of Public Works Yard Solar Project; and
- Complete construction of the Downtown Employee Parking Lot south of Mary Winspear Centre.



FIRE SERVICES

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. Supplementing our established emergency response capabilities is an ever increasing emphasis on risk reduction initiatives in the form of public education, fire & life safety inspections, and enforcement of Town of Sidney bylaws and BC Fire Code regulations. This full spectrum of services is provided utilizing a composite model of seven career and thirty-five volunteer firefighters. In addition to fire & rescue specific services, the Sidney Volunteer Fire Department is responsible for emergency management and preparedness in Sidney in conjunction with the Peninsula Emergency Measures Organization (PEMO).

Auditor General Emergency Management Audit

In June of 2017, the Auditor General for Local Government (AGLG) selected the Town of Sidney for an Emergency Management performance audit. The audit focused on the four pillars of emergency management (prevention, mitigation, response, and recovery), as well as business continuity. Fire department staff spent considerable time over the summer and fall gathering documents for the audit, participating in interviews, and preparing steps towards reconciling recommendations. Early 2018, the Town received the findings of the audit, with the AGLG stating, "We were pleased to find that the Town of Sidney had a significant focus on emergency management, and in particular was proactive in its response to prevention and mitigation and developed a range of preparedness and response measures." Town staff, primarily from the Fire Department, will work towards the 13 recommendations through a detailed action plan.

Wild Fire Deployment

On July 11, 2017, the Sidney Fire Department was tasked by the Office of the Fire Commissioner to attend Williams Lake during the Provincial Wild Fire Emergency. The Fire Department sent Engine 1 and rotated seven crews with 26 firefighters. Throughout July and August, crews from the Fire Department worked and travelled to many different fires in the interior of British Columbia.

Training

The Sidney Fire Department trained to a total of 7,123 volunteer hours in 2017 through Thursday night practice, extra training, and courses. A highlight for training in 2017 were 12 First Responder recertifications that added a Spinal Endorsement and an AED Endorsement to their licenses. The 12 members committed to two training sessions in the evening during the week and 3.5 hours every morning, totaling 720 hours. The Sidney Fire Department hosted three separate training sessions at Otter Point's Live Fire Training, which 31 members attended. Four members travelled to the Fire Department Instructor Conference (FDIC) in April, where they participated in seminars and returned with knowledge and skills to contribute to the department. In December, two firefighters attended a High Rise Training Conference. To bring our department to 100% compliance with the Office of the Fire Commissioners "Play Book," all members trained and received NFPA 1001 certification by May of 2017.

Blue Card Command Incident System

Blue Card Command continues to progress. Two members completed their 50 hours of online training and one of them completed the 3 day simulation certification. The certified group of nine members maintained their skills with 32 hours of reoccurring training.

Multiple Agency Training

In May, the department partnered with Seastar Chemicals to facilitate a large scale event simulating a plane striking the top of Seastar's headquarters. Sidney Fire, North Saanich Fire, CRD Hazmat, BCEHS, RCMP and Seastar Chemicals staff all participated in the exercise. The CRD Hazmat team and BC Emergency Health Services assisted Sidney Fire with decontamination of all responders in the hot and warm zones. The Sidney and North Saanich Fire crews worked together on operations.

In September, the Assisted, Extended, and Nursing Care Home Working Group executed a mock evacuation that involved transporting residents from one facility to another. BC Transit, Sidney Fire volunteers, and PEMO ESS participated in this valuable exercise. This group continues to meet regularly and improve upon action items and is planning another mock exercise for September, 2018.

Marine Firefighting Capabilities

In 2015, the department increased its marine firefighting capabilities by replacing its original pump. The new pump is smaller, lighter, safer, and also boasts a pumping capacity of over 540 US GPM. The department has been thoroughly impressed with the performance of this pump, and in 2017 purchased an additional unit. This added firefighting capacity is required to combat the ever increasing fire loads on larger vessels now commonly moored in our marinas. Lastly, the PSI and GPM rating of these pumps permits the use of firefighting foam to be added in order to blanket fuel fires on the water.

Peninsula Emergency Measures Organization (PEMO)

The Sidney Fire Department staff continued to manage PEMO and its volunteers throughout 2017, under the three year rotation schedule between Central Saanich, North Saanich, and Sidney. Search and Rescue (SAR) was successfully awarded a two-year grant in 2016 from the British Columbia Search and Rescue Association. These funds (approximately \$27,300 a year) allowed PEMO SAR to purchase new equipment, including a new rescue truck in 2017. 2017 was a busy year of contract reviews for PEMO teams. In January 2017, the Communications Group (COMMS) review evaluated current challenges as well as emerging trends. In July 2017, the Emergency Social Services (ESS) team had experts prepare a gap analysis. Both reports made significant recommendations that Fire Department staff and PEMO volunteers are working to implement. In November, Fire Department staff applied for a grant for ESS in the form of \$25,000 to bolster training, cot quantities, and pet supplies. In early 2018, the Town received confirmation that the grant was approved.

Fire Prevention Inspections

Due to the high volume of development in the Town in 2017, additional emphasis was placed on fire safety planning for construction and demolition sites. The Fire Prevention staff networked with strata complexes to encourage fire safety presentations to residents to align with the Senior Fire Safety Program. All inspectable properties in the Town were inspected and re-inspected at the frequency mandated by the BC Fire Services Act.

Emergency Notification System

In the event of an emergency, a tested and proven crisis communication and mass notification system is critical to help ensure Sidney residents' and stakeholders' safety and wellbeing. Recognizing this, at the end of 2016 the Town of Sidney chose ERMS as an emergency mass notification service provider. Residents and stakeholders subscribing to the Town of Sidney Emergency Mass Notification System will be notified of a potential threat to their safety and wellbeing, such as severe weather, fire, tsunami, hazardous materials release, or other dangerous situations, on the communication device(s) of their choice. In 2017, Fire Department staff worked vigorously to campaign for ERMS registration. This included opportunities through social media, the Sidney Street Market, print media, fire inspections, emergency preparedness presentations, kiosks at Town Hall and Panorama Recreation Centre, and the Town's website. At the time of publication of this report, approximately 3,500 residents and stakeholders were registered, representing nearly 32% of the community in less than two years of the program being live.

Senior Fire Safety Presentations

The Fire Department has always offered public emergency preparedness presentations to residents and the business community. In 2017, the Prevention staff initiated a program to deliver Fire Safety and Emergency Preparedness presentations to all stratas in Sidney. This program came into place in the end of 2017 and continues to be successful in 2018.

Business Continuity

The Town of Sidney readily accepts its role in working with the business community to ensure business continuity should a disaster occur. In Sidney, the Fire Department is responsible for emergency preparedness planning, response, and recovery measures, with the Fire Chief also fulfilling the role of Local Area Emergency Coordinator. Chief Mikkelsen developed a guide and template focused on bolstering the recovery resiliency in the Town and in 2016 began presenting the concept to the Sidney Business Improvement Area and business organizations. Business continuity planning is crucial to ensuring the community as a whole not only survives an emergency, but also recovers and is healthy afterwards. The goal is to educate and assist all Sidney businesses in creating and maintaining business continuity plans. In 2017, 65 businesses received the business continuity template. As of early 2018, the Town is working with a contractor to exercise the Town's Business Continuity Plan in the form of a mock fire at the Town Hall. Executing this exercise is scheduled for 2019.

Fire Services at a Glance - 2017

Volunteer training hours	7123
Emergency notification system registrants	3500
Fire prevention inspections	935
Business continuity templates distributed	65
Provincial wildfire deployment days	32
Multiple agency training exercises	19



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 St. in Sidney, provides diverse policing services to the surrounding northern Saanich Peninsula and First Nation communities as well as the Willis Point region and fifty two 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

Sidney/North Saanich Detachment is comprised of thirty two police officers and nine civilian support staff. Uniform officers are divided into four watches providing a twenty four 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 crime prevention school liaison officer and two First Nations policing officers. On average, the detachment responds to 7000 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 is Monday to Friday from 8:30 am – 4:15 pm.

Strategic Policing Priorities

Detachment policing priorities are established through consultation with key partners within the community and in alignment with regional, provincial and national public safety initiatives. In 2017, annual policing priorities for traffic enforcement, property crime reduction, organized crime, community and First Nation policing were implemented. Specific objectives for each priority were developed to focus policing efforts. Impaired and distracted driving enforcement is given priority to enhance road safety and help in the prevention of motor vehicle accidents. Drug trafficking enforcement is aimed at the intervention of prolific offenders who repeat crimes that support their substance abuse addictions.

A quarterly policing report provides details on crime trends and statistical comparison over a five year period. The detachment commander provides a review of these reports to Mayor and Council with details on how the detachment is managing crime and meeting the objectives of the policing priorities. Under the leadership of the Detachment Commander, officers participate in crime prevention, investigation and proactive policing objectives while working closely with volunteers and policing partners to reduce crime and harm in the community.

Police Volunteer Programs

The detachment is complemented by a number of dedicated volunteers who donate many hours of their time each month to help make Sidney a safe and desirable community to live and work. Programs with which citizens can volunteer to enhance policing services in the community include victim services, restorative justice, citizens on patrol, speed watch and the auxiliary constable program. A community consultative group comprised of dedicated volunteers from both Sidney and North Saanich act as an advisory committee to the detachment. The community policing officer and auxiliary constables are actively involved in the delivery of crime prevention and education programs to help prevent community members from becoming victims of theft and fraud crimes. The detachment currently has six auxiliary constables, some of whom are bike trained and may be observed in the community on foot or bike patrol. The community policing officer and auxiliary constables have assisted in the delivery of the D.A.R.E. (Drug Awareness Resistance Education) Program, as well as pedestrian and cycling safety programs to students in the elementary schools in both Sidney and North Saanich.

Crime Rates/Crime Prevention

Both Sidney and North Saanich enjoy a relatively low crime rate in comparison to many other communities in British Columbia. The support of the community in preventing and reporting criminal activity has been instrumental in solving criminal offences quickly, contributing to safe streets and safe homes. To continue this trend, the RCMP-GRC encourage community members to take measures to protect themselves from crime, not leaving valuables in vehicles, securing their homes and immediately reporting suspicious activity.



STRATEGIC PLAN & PROGRESS REPORT

Section 98 of the Community Charter outlines municipal progress reporting requirements. The following report provides feedback on the progress we are making toward the established objectives set by Council in 2017.

In November of 2015, Town of Sidney Council undertook a comprehensive strategic planning session with a goal to develop key strategies for Council's term. The outcome of Council's efforts was a three-year strategic plan that focuses on three overarching goals – [establishing a resilient economy](#), [a balanced demographic](#), and [a quality living environment](#). This strategic plan was reviewed again in the autumn of 2017 and updated as necessary to reflect additional and modified priorities, as will be demonstrated throughout this section.

Annual Planning Framework

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

- Strategic planning - occurs in September/October
- Business planning/establishing Departmental Work Plans - occurs October - December
- Financial planning - occurs throughout the year, culminating in 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 the highest level statement of the Town's aspirations for the future, and is updated every year by Council. It articulates the vision, mission, values and broad strategic priorities and goals. Progress of the plan is monitored through an annual review of key performance indicators.

The Business Plan translates the high level 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, and evaluates whether the Town successfully accomplished the goals and strategic direction set out in the annual planning framework.



RESILIENT ECONOMY

Port Sidney Marina Lease Extension & Breakwater Divestiture

Status - *In progress*

2017:

- New long term lease application submitted to the Ministry of Forests, Lands, Natural Resources
- Breakwater divestiture approved pending lease approval
- New sub-lease with Marina owner being negotiated

2018:

- Continue to work towards lease extension and breakwater divestiture

Process Significant Development Proposals

Status - *Ongoing*

2017:

- Given that the Town has been anticipating proposals for significant development projects, a 2017 priority was to ensure that sufficient resources were provided for public engagement and planning/ engineering to review and process these proposals

2018:

- Continue to provide sufficient resources for processing significant development proposals

Downtown Employee Parking

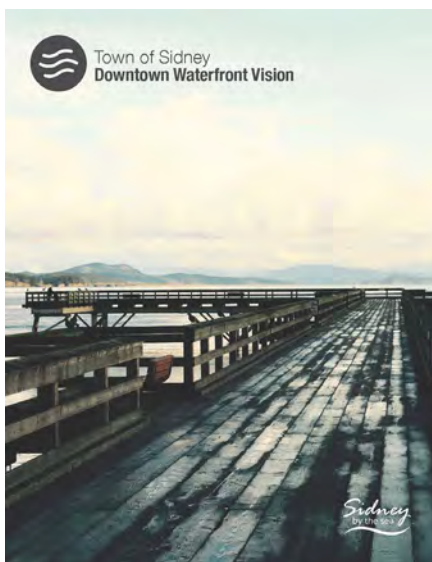
Status - *In progress*

2017:

- Continued work on the development of a new surface parking lot to the south of the Mary Winspear Centre
- Agreement with Memorial Park Society approved
- Engaged Civil Engineering firm to develop detailed design and engineering plans of the proposed parking areas

2018:

- Will look to complete Phase I of construction and confirm funding for phases II & III



Downtown Waterfront Vision Plan

Status - *Ongoing*

2017:

- Work on a plan to provide a “road map” to guide future investment in the Downtown Waterfront area began in 2016 and continued in 2017
- Hosted a Public Open House in April, 2017 to present the draft plan to the public and receive feedback
- Plan adopted by Council on May 8, 2017

2018 & Beyond:

- Continue to work on establishing next steps, prioritize key action items, identify appropriate funding, and implementation of action items
- Feasibility and exploratory studies for Beacon Wharf



BALANCED DEMOGRAPHIC

Skateboard Park

Status - *Complete*

2017:

- Skateboard park construction completed and opened to the public

Development of Attainable Workforce Housing

Status - *Ongoing*

2017:

- Construction began on the Aranza development on Fourth Street, which includes 28 units of attainable housing
- West Side Local Area Plan, an amendment to the OCP, adopted with a provision requiring a percentage of affordable housing for residential buildings containing 5 or 6 storeys

2018:

- Staff will continue to work with developers interested in developing attainable housing projects through the establishment of Development Agreements

Parks Master Plan

Status - *Ongoing*

2017:

- Consultant engaged to create a vision for the future direction of parks and related activities in Sidney.
- Parks Master Plan developed through a process of broad consultation with the public and various park stakeholders. Public engagement included a Public Survey, Public Ideas Fair, Stakeholder Workshop, a Public Open House, and a Public Presentation
- Draft plan, which provides individual assessments of Sidney's 28 parks and 17 beach accesses, completed December 2017

2018:

- Long term capital plan for improvements will be developed and prioritized
- Potential funding sources will be identified

Market & Promote the Community for Families & Youth

Status - *Ongoing*

2017:

- Projects: Construction of skateboard park, completion of Parks Master Plan, approval of beach volleyball court
- Events: Comic Con, Seaside 10K/5K

2018:

- Continue to undertake key initiatives to attract and retain a younger demographic
- Approved events: BC Boat Show, Standup Paddleboarding National Championships

OCP Review

2019 Initiative

- Intended to be a focused review on key areas within the OCP
- Does not preclude the potential for considering OCP amendments involving development proposals or minor housekeeping



QUALITY LIVING ENVIRONMENT

Community Safety Building

Status - *In progress*

2017:

- Construction began on Town's new seismically sound Community Safety Building

2018:

- Construction will proceed, with expected completion either late fall 2018 or early spring 2019

Downtown Public Realm Design Standards

Status - *In progress*

2017:

- Continued work on project to prepare the Town for future private developments in the Downtown area and ensure consistent off-site design standards
- Project nearing completion

2018:

- Completion and implementation of design standards
- Establish priorities and determine next steps



Reay Creek Remediation

Status - *In progress*

2017:

- Transport Canada circulated draft studies on areas upstream of pond as well as remediation options for pond
- Victoria Airport Authority constructed a detention area upstream of pond
- Reay Creek Residents provided input to Parks Master Plan Process

2018:

- Continue with leadership role
- Seek public feedback on remediation options

West Sidney Local Area Plan

Status - *In progress*

2017:

- Community engagement activities for the WSLAP began in 2016 and continued into 2017, with an Ideas Gallery held in January 2017
- Plan adopted by Council on October 23, 2017

2018 & Beyond:

- Development of Zoning, OCP policies and Development Permit Area Guidelines, as well as a Master Plan for residential area
- Prioritization of capital improvements with projected fundings sources

Implementation of Provincial Flood Hazard Management Guidelines

2018 Initiative

- Review new guidelines and decide how best to apply guidelines in Sidney

Urban Forestry Management Strategy

2018 Initiative

- Develop a plan that will help guide the long term health and distribution of trees in Sidney
- Formation of the strategy will involve community engagement and provide overarching direction for management of tree canopies, new plantings, tree health and maintenance and tree protection
- Implementation will increase the benefits produced by the urban forest for the community and will complement Sidney's broader community goals for climate change, natural environment, parks, open spaces, and transportation

Active Transportation Plan

2019 Initiative

- Development of a long term plan for sidewalks, transit, and bicycle network through Sidney

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 comprised of two primary statements – the *Statement of Financial Position* (page 38) and the *Statement of Operations and Accumulated Surplus* (page 39). 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.

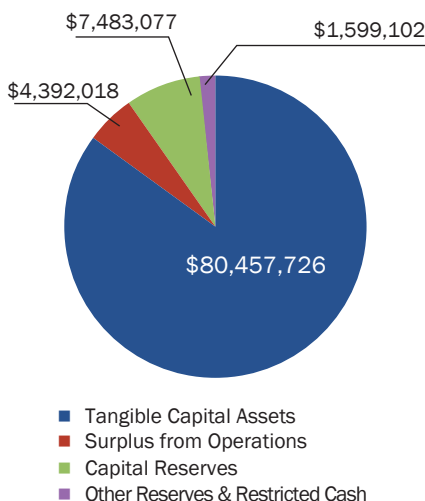
Statement of Financial Position

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, 2017. 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 provide future services.

The net result of comparing Financial Assets to Financial Liabilities is called Net Financial Assets. The Town’s positive Net Financial Asset position is attributable to a relatively low level of debt, and a healthy balance of cash and investments; the latter reflects our level of reserves and accumulated surplus. However, the Town’s Net Financial Asset position was reduced by \$2,773,827 in 2017, to a new total of \$7,475,042, due to the first phase of borrowing (\$3 million) for the Community Safety Building. Increases in both cash and investments were balanced by a rise in account payable, as well as deferred revenue resulting from an increase in developer deposits due to more robust development activity. The positive balance in Net Financial Assets presents a favourable indication of the Town’s ability to fund future obligations.

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.

Accumulated Surplus



The bottom line on this statement is the Accumulated Surplus, which is the total of Net Financial Assets and Non-financial Assets, representing the sum of all economic resources available to the Town to meet future financial and service obligations. The pie chart to the left breaks down the year ending Accumulated Surplus balance of \$93,931,922 into its various components. It is important to clarify that the Accumulated Surplus has been building over many years. Since it is comprised of both Financial and Non-financial Assets, it does not represent an available pool of funding. *Net Financial Assets* represent the amount available to satisfy *financial* obligations and *Non-financial Assets* represent the amount available to meet future *service* obligations. The Accumulated Surplus, which is broken down into various components in Note 6 (page 50) of the statements, is discussed in more detail in the following section.

Statement of Operations & Accumulated Surplus

The *Statement of Operations & Accumulated Surplus* presents the operational results by comparing revenues and expenses for the operating year, with the net difference being the “Annual Surplus”. The Annual Surplus essentially represents the increase in the Town’s ability to fund and provide future services. Total revenues of \$22,789,496 were slightly higher than 2016, mostly due to \$1,648,203 in developer-contributed assets turned over to the Town; a modest increase in municipal property taxes explains the rest of the difference. Total expenses of \$19,621,116 were also higher than 2016, with inflationary and contracted increases being offset by administrative and operational savings.

The 2017 *Statement of Operations and Accumulated Surplus* indicates an Annual Surplus of \$3,168,380, which is broken down into the following components:

Net investment in Capital Assets	\$ 3,149,052
Net increase in Reserves & Restricted Cash	505,731
Net decrease in Surplus from Operations	(486,403)
Annual Surplus	\$ 3,168,380

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 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, or set aside for future use. It is important to note that the net *decrease in Surplus from Operations* is a factor of timing, not of financial operations for the year. An amount of \$704,987 was temporarily borrowed from Surplus as funding for the Community Safety Building; this amount will be repaid when the Town takes its next draw on its debt funding for this large capital project. The operating surplus for 2017 was \$82,105 prior to this adjustment.

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 realized an Annual Surplus \$1,051,266 higher than what was expected (budgeted). \$729,353 of this variance is due to higher than budgeted revenues (higher than expected Water, Sewer and development fee revenues; developer-constructed assets provided to the Town; gains on disposal of assets) while \$321,913 results from savings on the expense side (the Policing contract being the biggest factor).

Net Investment in Capital Assets

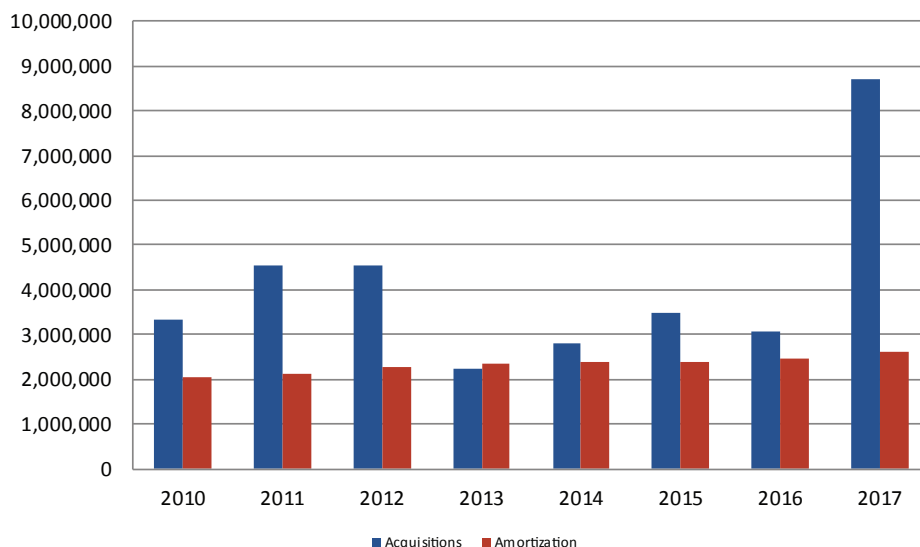
The largest contributing factor to the Annual Surplus is an increase of \$3,149,050 in *net investment in capital assets*. This increase in value means that the Town added more in TCA than it consumed. TCA are consumed through amortization (also known as depreciation); the cost of the asset is divided 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 *net investment in capital assets* is primarily made up of \$8,688,708 in acquisitions, reduced by \$2,611,799 in amortization and a \$2,927,857 increase in debt.

The most significant capital additions during the year were the initial phases of construction of the Community Safety Building (CSB), the completion of the skateboard park, developer-contributed infrastructure at the Harbour Landing subdivision, and several Town infrastructure replacement projects.

The chart below shows the Town’s TCA additions and amortization over the past 8 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, but this is not something to be concerned with, as it simply reflects the Towns financial and asset management plans for that particular year; only a longer-term pattern in this direction may indicate a cause for some concern.

TCA additions and 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, another contributing factor is the net increase of \$474,638 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.

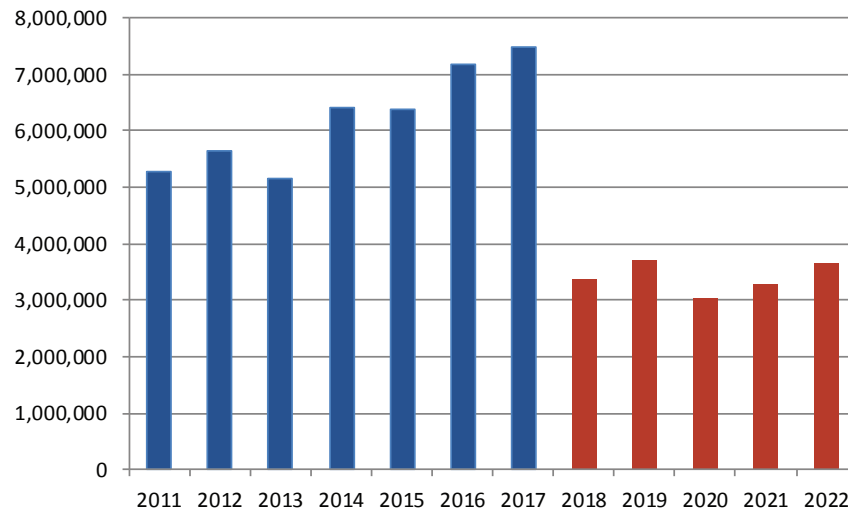
The second subset of reserves is labeled “Reserves set aside by Council”. While less formal, these funds are also usually earmarked for specific purposes, but it is possible to redirect these funds for other uses, through the annual budget process. However, as most of the balance in this second subset of reserves is made up of funds carried forward for completion of specific projects or initiatives, redirection is generally not recommended, unless it has been established that the funds are no longer required for their original purpose.

The Town’s total Statutory Reserves at year end amounted to \$7,483,077. Of this total, 24% represents the Town’s Infrastructure Replacement reserves, while a further 32% is made up of reserves to replace Town vehicles, equipment and the ferry terminal.

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 25% of the total Statutory Reserve balance represents Federal Gas Tax Funds being held for future eligible use.

The chart below shows the Town’s total Statutory Reserve balances over the last seven 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. The projected drop downwards in 2018 is due to the budgeted infrastructure projects being funded from reserves.

Statutory reserve balances



Based on the current 5 year financial plan, the trend is for a diminishing reserve balance. This is due to the projected use of accumulated Gas Tax funds, as well as regular replacement of the Town’s infrastructure. 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 generally neither good nor bad; it 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.

Increase in Restricted Cash

This small increase of \$31,093 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 Decrease in Surplus from Operations

The *net change in surplus from operations* is perhaps the most important contributing factor to the Annual Surplus. The Surplus (or Deficit) 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 (or Deficit) from Operations in a given year represents the true increase (or decrease) in the Town’s “disposable income” for future spending.

2017 operations realized a surplus of \$82,105. However, an amount of \$704,987 was used at year-end as temporary funding for expenditures related to the Community Safety Building; even though this appropriation will be repaid to surplus when the Town takes on additional borrowing, this temporary funding resulted in a net reduction in Surplus from Operations of \$486,403 on our financial statements. The table below shows the breakdown of the most current year's net increase of Surplus from Operations:

General Operating Fund	\$ 79,262
Garbage Utility	8,048
Water Utility	(74,901)
Sewer Utility	69,696
Total Surplus from Operations	82,105
Use of Surplus	(704,987)
Prior Year Adjustment	136,479
Net Decrease in Accumulated Surplus from Operations	(\$ 486,403)

The largest contributors to the net surplus in the General Operating fund were savings in the RCMP policing contract due to temporary vacancies, as well as better than expected permitting revenues due to development activity. The 2017 Financial Plan included a budgeted transfer of \$300,000 from surplus to fund general operating expenses; however, as expected, the resulting year's operations did not necessitate this transfer, and a small surplus was achieved.

The Garbage Utility, which operates on a cost recovery basis, realized a small surplus of \$8,048; a minor deficit was expected, as part of a plan to ensure garbage collection rates for residents and businesses remain unchanged for the duration of the Town's five-year contract with its garbage collection service provider. The contract includes cost increases to the Town in each year, so the budgeted surpluses in the first couple of years will offset expected deficits in the latter years, thus allowing user rates to remain constant throughout the contract.

Each year, water revenues and expenses are budgeted using trends from previous years, and levels of available surplus funding. In some years we realize surpluses, and in other years, deficits; this almost always depends on the volume of water consumption in any given year. The Water Utility realized a deficit of \$74,901 in 2017, as compared to a deficit of \$126,184 in 2016. It is important to note that the Water Utility still maintains a healthy accumulated surplus balance from prior years' operations, which has been used in recent years to ensure user rates have remained unchanged, even in light of regular increases in bulk water costs. The 2017 deficit was very close to budgeted expectations.

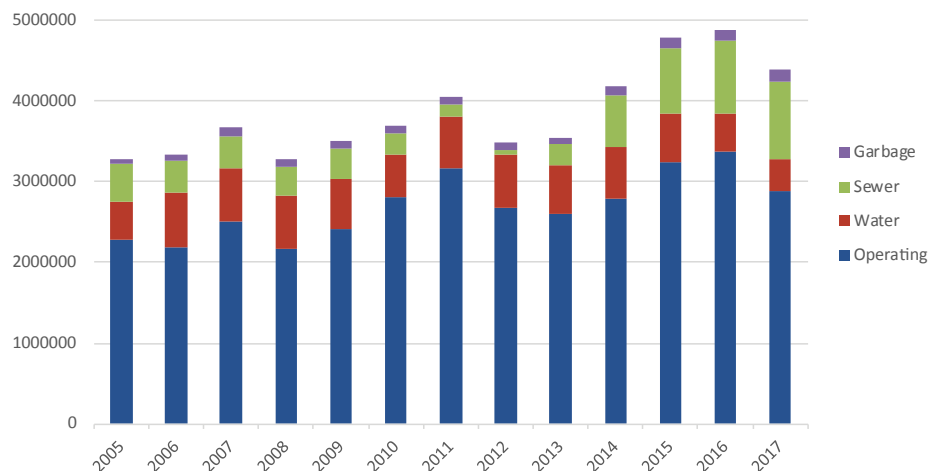
The Sewer Utility realized a surplus of \$69,696, as sewer user fees collected, which are based on water usage, exceeded the budget. The Sewer Utility budget is also based on trends from previous years, but in some years actual results deviate from those trends; this was the case in 2016 and 2017, as a result of higher water usage in the shoulder seasons due to weather conditions. Over the past several years, the Sewer Utility has realized budgeted surpluses, which has allowed the accumulated balance to grow to acceptable policy levels after several years of deficits. As a result, the healthy accumulated surplus balance permitted 2017 Sewer Parcel Tax and Sewer User Rates to remain unchanged; this will also be the case in 2018.

The Town has a policy to determine the adequate level of Accumulated Surpluses from Operations. This policy ensures that we maintain sufficient funds for the following purposes:

- To provide 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 13 years, and the contribution from each of the Town's significant operational areas. When the 2017 net decrease in *Surplus from Operations* is combined with surpluses from prior years, the year ending *Accumulated Surplus from Operations* balance falls temporarily (until the CSB financing is repaid) to \$4,392,018, with all operational areas maintaining surplus levels that are healthy and meeting policy requirements.

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 Segmented Information note (Note 11) further assists readers of the statements in understanding the types of revenues and expenses attributable to specific Town functions for the unique services performed by each.

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 12) 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 2017 financial statements reflect a continued dedication to sound financial management. The Town's equity in capital assets and reserves 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, even with the approved debt funding for the Community Safety Building, and will maintain comparably low levels of manageable debt going forward that will allow flexibility in providing future services.

Director of Corporate Services
May 7, 2018

CONSOLIDATED FINANCIAL STATEMENTS

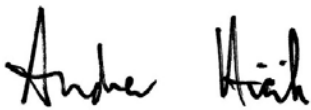
Financial Reporting Responsibility

The accompanying financial statements of the Town of Sidney (the “Town”) are the responsibility of management and have been prepared in compliance with legislation, and in accordance with public sector accounting standards for local governments, as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies 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.

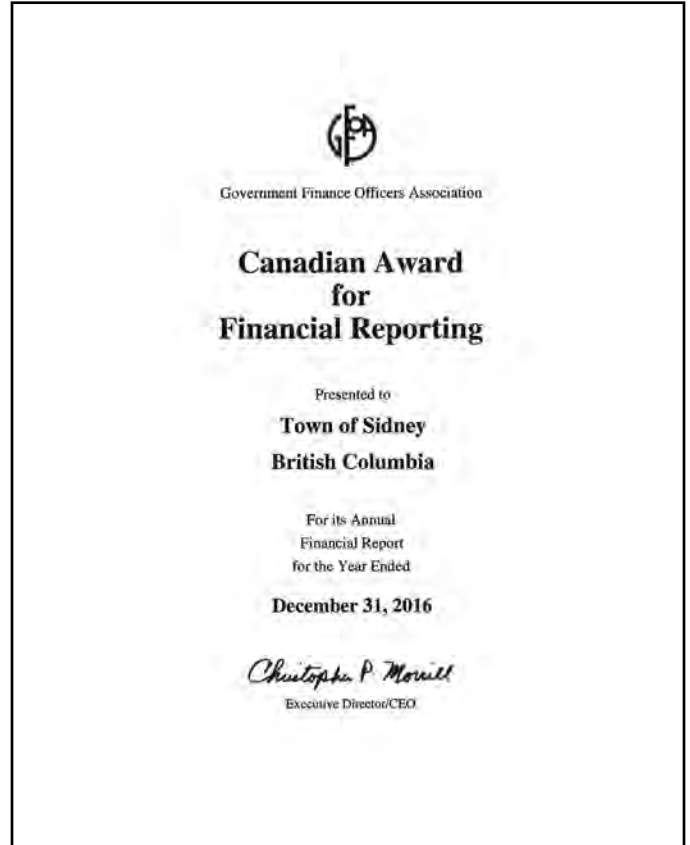
The Town’s management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

The Municipal Council, acting through its Standing Committees, 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
May 7, 2018





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

INDEPENDENT AUDITORS' REPORT

To Mayor and Councillors of the Town of Sidney

We have audited the accompanying financial statements of Town of Sidney, which comprise the statement of financial position as at December 31, 2017, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town of Sidney as at December 31, 2017, 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.

Chartered Professional Accountants
May 7, 2018
Victoria, Canada

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

STATEMENT OF FINANCIAL POSTION

Year ended December 31, 2017 with comparative figures for 2016

	2017	2016
Financial assets:		
Cash	\$ 3,364,320	\$ 2,878,558
Investments	14,109,675	13,101,665
Property taxes receivable	450,527	512,210
Accounts receivable	1,774,271	1,600,145
Restricted cash	79,374	48,281
	<u>19,778,167</u>	<u>18,140,859</u>
Liabilities:		
Accounts payable and accrued liabilities	2,318,927	1,600,729
Deferred revenue and deposits (note 2)	3,520,912	2,658,652
Employee future benefit liability (note 3)	683,900	644,600
Long-term debt (note 4)	5,779,386	2,988,009
	<u>12,303,125</u>	<u>7,891,990</u>
Net financial assets	7,475,042	10,248,869
Non-financial assets:		
Tangible capital assets (note 5)	86,237,112	80,213,943
Inventory of supplies	127,411	152,071
Prepaid expenses	92,357	148,659
	<u>93,931,922</u>	<u>90,763,542</u>
Accumulated surplus (note 6)	<u>\$ 93,931,922</u>	<u>\$ 90,763,542</u>

Commitments and contingent liabilities (note 12)

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

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2017 with comparative figures for 2016

	<i>Budget</i>	<i>Actual</i>	<i>Actual</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>
	<i>(note 10)</i>		
Revenue:			
Net taxes available for municipal purposes (note 7)	\$ 12,806,739	\$ 12,814,947	\$ 12,493,456
Fees, rates and service charges	5,826,924	6,133,431	6,077,070
Government transfers (note 8)	1,494,844	1,471,360	1,447,553
Investment earnings	185,000	242,488	224,094
Gifts and contributions	76,850	1,891,790	314,972
Penalties and interest	96,000	106,591	94,691
Actuarial adjustment on debt	-	39,491	11,520
MFA Debt Reserve Fund Surplus	-	57,897	-
Other	14,800	31,501	327,684
Total revenue	20,501,157	22,789,496	20,991,040
Expenses:			
General government	2,455,463	2,422,542	2,397,475
Protective services	4,968,466	4,701,148	4,386,178
Transportation	3,905,446	3,398,772	3,642,772
Environmental health services	721,310	736,063	716,194
Environmental development	477,950	423,354	503,502
Leisure, parks and cultural	2,893,549	3,028,546	2,846,955
Water utility	2,041,519	2,112,618	2,033,944
Sewer utility	2,066,638	2,066,977	1,995,254
Other (note 9)	768,932	731,096	569,362
Total expenses	20,299,273	19,621,116	19,091,636
Annual surplus	201,884	3,168,380	1,899,404
Accumulated surplus, beginning of year	90,763,542	90,763,542	88,864,138
Accumulated surplus, end of year	\$ 90,965,426	\$ 93,931,922	\$ 90,763,542

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

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

Year ended December 31, 2017 with comparative figures for 2016

	Budget 2017 <i>(note 10)</i>	Actual 2017	Actual 2016
Annual surplus	\$ 201,884	\$ 3,168,380	\$ 1,899,404
Acquisition of tangible capital assets	(11,760,090)	(8,688,707)	(3,074,162)
Amortization of tangible capital assets	2,520,000	2,611,799	2,468,382
Loss (gain) on disposal of tangible capital assets	-	16,618	(281,590)
Proceeds on disposal of tangible capital assets	-	37,121	282,322
	(9,038,206)	(2,854,789)	1,294,356
Acquisition of inventory of supplies	-	(127,411)	(152,071)
Acquisition of prepaid expense	-	(92,357)	(148,659)
Consumption of inventory of supplies	-	152,071	122,766
Use of prepaid expenses	-	148,659	83,163
Change in net financial assets	(9,038,206)	(2,773,827)	1,199,555
Net financial assets, beginning of year	10,248,869	10,248,869	9,049,314
Net financial assets, end of year	\$ 1,210,663	\$ 7,475,042	\$ 10,248,869

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

STATEMENT OF CASH FLOWS

Year ended December 31, 2017 with comparative figures for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,168,380	\$ 1,899,404
Items not involving cash:		
Amortization	2,611,799	2,468,382
Developer contribution of tangible capital assets	(1,648,203)	(263,361)
Change in employee future benefit liability	39,300	20,500
Loss (gain) on disposal of tangible capital assets	16,618	(281,590)
Loss on leases	-	708
Actuarial adjustment on debt	(39,491)	(11,520)
Change in non-cash assets and liabilities:		
Property taxes receivable	61,683	(20,420)
Accounts receivable	(174,126)	(150,670)
Accounts payable and accrued liabilities	718,198	150,928
Deferred revenue	862,260	411,226
Inventory of supplies	24,660	(29,305)
Prepaid expenses	56,302	(65,496)
Net change in cash from operating activities	5,697,380	4,128,786
Capital activities:		
Proceeds on disposal of tangible capital assets	37,121	282,322
Cash used to acquire tangible capital assets	(7,040,504)	(2,810,801)
Net change in cash from capital activities	(7,003,383)	(2,528,479)
Investment activities:		
Investments	(1,008,010)	(2,559,627)
Net change in cash from investing activities	(1,008,010)	(2,559,627)
Financing activities		
Municipal Finance Authority debt reserve adjustment	(31,093)	(1,313)
Debt issued and assumed	3,000,000	-
Long-term debt repaid	(169,132)	(157,486)
Lease obligations and loan agreements repaid	-	(12,994)
Net change in cash from financing activities	2,799,775	(171,793)
Net change in cash and cash equivalents	485,762	(1,131,113)
Cash and cash equivalents, beginning of year	2,878,558	4,009,671
Cash and cash equivalents, end of year	\$ 3,364,320	\$ 2,878,558
Cash paid for interest	\$ 155,883	\$ 155,415
Cash received from interest	349,079	318,785

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

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, 2017

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, 2017

1. Significant accounting policies (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) Use of estimates:

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. Significant 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.

(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.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

2. Deferred revenue deposits:

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

	Balance at Dec 31, 2016	Recognized as revenue	Interest earned	Current year deferred	Balance at Dec 31, 2017
Prepaid property taxes	\$ 1,344,921	\$ (1,344,921)	\$ -	\$ 1,391,385	\$ 1,391,385
Prepaid fees and charges	266,566	(229,514)	-	244,238	281,290
Deferred developer contributions & deposits	466,219	(159,410)	2,500	624,295	933,604
Deposits on hold	580,946	(234,557)	-	568,244	914,633
	\$ 2,658,652	\$ (1,968,402)	\$ 2,500	\$ 2,828,162	\$ 3,520,912

3. Employee future benefit liability:

The Town provides sick leave and certain other benefits to its employees. Some employees of the Town are entitled to payments related to unused vacation, sick leave and other allowances upon resignation or retirement. These amounts and other employee related liabilities will require funding in future periods.

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

	2017	2016
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 775,700	\$ 785,300
Current service cost	85,300	89,100
Interest cost	27,400	26,100
Benefits paid	(93,500)	(115,700)
Actuarial adjustment	59,400	(9,100)
Balance, end of year	854,300	775,700
Unamortized net actuarial loss	(170,400)	(131,100)
Accrued employee benefit liability	\$ 683,900	\$ 644,600

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 10 years (2016 - 10 years).

The amount recorded for these benefits is based on an actuarial valuation performed by an independent firm using a projected benefit actuarial valuation method pro-rated on services.

This valuation is reviewed on a periodic basis. The liabilities are based on an actuarial valuation of the Town's employee future benefits completed as at December 31, 2016 and extrapolated to December 31, 2017.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

3. Employee future benefit liability (continued):

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

	2017	2016
Discount rates	2.90%	3.30%
Expected wage and salary increases	2.50%	2.50%

The Town funds the employee future benefits with tax revenues from the general operating fund and from surplus amounts appropriated for this purpose. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$132,800 (2016 - \$136,200).

Other 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 the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the Plan had about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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.

The most recent valuation, as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contributions rates remained unchanged.

The next valuation will be as at December 31, 2018, with results available in 2019.

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, with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the Plan.

The Town paid \$600,270 for employer contributions (2016 - \$567,728) and Town employees paid \$509,318 for employee contributions (2016 - \$481,370) to the plan in fiscal 2017.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

3. Employee future benefit liability (continued):

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, 2014. The next valuation will be as at December 31, 2017, with results available in 2018. At December 31, 2016, the total plan provision for approved and unreported claims was \$18,937,267 with a net surplus of \$392,313. The actuary does not attribute portions of the unfunded liability to individual employers. The Town paid \$84,345 for employer contributions (2016 - \$80,703) and Town employees paid \$84,555 for employee contributions (2016 - \$80,885) to the plan in 2017.

4. Long-term debt:

(a) The Town issues debt instruments through the Municipal Finance Authority (MFA), pursuant to loan authorization and security issuing 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 related actuarial allocations in respect of 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	Actuarial allocation	Net debt 2017	Net debt 2016
Short-Term and Other debt	\$ 20,653	\$ -	\$ 20,653	\$ 75,299
Long-term Debt	6,850,000	1,091,267	5,758,733	2,912,710
	<u>\$ 6,870,653</u>	<u>\$ 1,091,267</u>	<u>\$ 5,779,386</u>	<u>\$ 2,988,009</u>

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, 2017 there were contingent demand notes of \$144,484 (2016 – \$95,705) and cash deposits of \$79,374 (2016 - \$48,281). The demand notes are not included in the financial statements of the Town; however, the cash deposits are included in the financial statements as restricted cash.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

4. Long-term debt (continued):

(c) Current long-term debt estimated principal repayments over the next five years:

2018	\$	188,169
2019		183,971
2020		181,090
2021		177,544
2022		139,089

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

(d) Total interest paid on long-term and short-term debt during the year was \$155,853 (2016 - \$154,662).

(e) Existing long-term debt matures in annual amounts to the year 2047, and interest rates range from 2.4% to 4.65%. The weighted average interest rate for 2017 was 3.46% (2016 - 3.81%).

(f) During 2016 the Town adopted Community Safety Building Loan Authorization Bylaw No. 2111 which was approved by the Inspector of Municipalities and authorized the Town to borrow \$10,000,000 through the MFA for construction of a new Community Safety Building. At December 31, 2017, the Town has drawn upon \$3,000,000 of these funds.

(g) Included in other debt are Equipment Financing Loan Agreements with the Municipal Finance Authority totaling \$20,653 (2016 - \$32,299) to finance the purchase of tangible capital assets.

The loans are repaid in monthly payments of \$1,006 with maturity dates ranging from 2018 to 2020. The loans are repayable on demand upon occurrence of any events of default. Interest is charged on a daily floating rate basis and compounded monthly. At year end, the current floating rate was 1.94% per annum. Interest paid during the year was \$422 (2016 - \$367) 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 \$41,068 to the MFA.

5. Tangible capital assets:

Cost	Balance at Dec 31, 2016	Additions / Transfers	Disposals	Balance at Dec 31, 2017
Land	\$ 15,141,300	\$ -	\$ -	\$ 15,141,300
Land improvements	12,884,807	786,468	-	13,671,275
Building and building improvements	14,974,406	7,494	-	14,981,900
Vehicles, machinery and equipment	10,713,368	828,690	(428,985)	11,113,073
Water and wastewater infrastructure	38,901,154	1,880,377	-	40,781,531
Roads infrastructure	28,054,686	1,440,598	-	29,495,284
Assets under construction	838,904	3,745,080	(32,105)	4,551,879
Total	\$ 121,508,625	\$ 8,688,707	\$ (461,090)	\$ 129,736,242

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

5. Tangible Capital Assets (continued):

Accumulated Amortization	Balance at Dec 31, 2016	Amortization Expense	Disposals	Balance at Dec 31, 2017
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	4,559,509	419,638	-	4,979,147
Building and building improvements	6,859,064	402,646	-	7,261,710
Vehicles, machinery and equipment	5,307,385	658,418	(407,351)	5,558,452
Water and wastewater infrastructure	14,807,870	570,702	-	15,378,572
Roads infrastructure	9,760,854	560,395	-	10,321,249
Assets under construction	-	-	-	-
Total	\$ 41,294,682	\$ 2,611,799	\$ (407,351)	\$ 43,499,130

Net Book Value	Balance at Dec 31, 2016	Balance at Dec 31, 2017
Land	\$ 15,141,300	\$ 15,141,300
Land improvements	8,325,298	8,692,128
Building and building improvements	8,115,342	7,720,190
Vehicles, machinery and equipment	5,405,983	5,554,621
Water and wastewater infrastructure	24,093,284	25,402,959
Roads infrastructure	18,293,832	19,174,035
Assets under construction	838,904	4,551,879
Total	\$ 80,213,943	\$ 86,237,112

(a) Assets under construction

Assets under construction having a value of \$4,551,879 (2016 - \$838,904) 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 \$1,648,203 (2016 - \$263,361).

(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.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

6. Accumulated surplus:

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

	2017	2016
Surplus:		
Invested in tangible capital assets	\$ 80,457,726	\$ 77,308,674
Surplus from operations	4,392,018	4,878,421
Total surplus	84,849,744	82,187,095
Reserves set aside by Council:		
Miscellaneous operating purposes	521,765	497,510
Miscellaneous capital purposes	997,962	867,049
Total reserves	1,519,727	1,364,559
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	239,685	281,752
Parkland acquisition	129,594	127,494
Off-street parking	37,125	86,686
Computer replacement	377,902	451,907
General equipment replacement	957,626	886,236
Fire equipment replacement	246,178	134,672
Water capital	394,843	351,975
Sewer capital	23,816	23,416
Infrastructure replacement	1,808,845	1,818,925
Water rates stabilization	228,558	247,955
Amenities	152,814	41,733
Affordable housing	3,329	-
Ferry terminal	790,791	626,475
Contingency	84,333	77,033
Agreements	162,040	165,857
Gas Tax - Community Works Fund	1,845,598	1,841,491
Total reserve funds	7,483,077	7,163,607
Restricted cash	79,374	48,281
	\$ 93,931,922	\$ 90,763,542

The Town periodically receives Gas Tax Agreement funds 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 eligible expenditures under the Agreement.

	2017	2016
Federal gas tax agreement funds		
Gas tax agreement funds, beginning of year	\$ 1,841,491	\$ 1,659,315
Amounts received during the year	530,593	524,040
Interest earned restricted for projects	29,900	26,400
Expenditures	(556,386)	(368,264)
Gas tax agreements funds, end of year	\$ 1,845,598	\$ 1,841,491

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

7. Net taxes available for municipal purposes:

	2017	2016
Taxes:		
Property taxes	\$ 22,747,289	\$ 22,682,526
Revenue in lieu of taxes	272,385	237,207
Other	862,619	851,163
	<u>23,882,293</u>	<u>23,770,896</u>
Less taxes on behalf of:		
Provincial Government School Authorities	6,171,428	6,385,190
Capital Regional District	2,326,583	2,267,047
Capital Regional Hospital District	1,038,439	1,026,703
BC Transit	1,064,560	1,129,590
BC Assessment Authority	189,668	202,309
Municipal Finance Authority	808	710
Business Improvement Area	275,860	265,891
	<u>11,067,346</u>	<u>11,277,440</u>
Net taxes available for municipal purposes	<u>\$ 12,814,947</u>	<u>\$ 12,493,456</u>

8. 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. The government transfers reported on the statement of operations are:

	2017	2016
Federal grants:		
Gas Tax - Community Works Funding	\$ 530,593	\$ 524,040
Canada 150 Celebration	27,540	-
	<u>558,133</u>	<u>524,040</u>
Provincial grants:		
Federal / provincial capital grant programs	23,400	-
Small community protection grant	343,927	338,942
Traffic fine revenue sharing	106,502	115,480
Other provincial grants	5,500	898
	<u>479,329</u>	<u>455,320</u>
Regional and other local governments:		
Policing	305,035	294,880
Recreation	68,531	49,669
Other	60,332	123,644
	<u>433,898</u>	<u>468,193</u>
Total government transfer revenue	<u>\$ 1,471,360</u>	<u>\$ 1,447,553</u>

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

9. Other expenses:

	2017	2016
Grants to non-government organizations:		
Sidney and North Saanich Memorial Park Society	\$ 269,108	\$ 263,836
Sidney Business Improvement Area Society	104,671	33,825
New Marine Centre Society	65,000	65,000
South Island Prosperity Project	26,722	11,860
Peninsula Celebrations Society	12,000	12,000
Saanich Peninsula Chamber of Commerce	-	60,150
Other	40,574	32,739
	518,075	479,410
Interest on prepaid taxes	4,774	2,820
Amortization and net loss on miscellaneous assets	111,957	15,785
Other	96,290	71,347
	\$ 731,096	\$ 569,362

10. Budget data:

The budget data presented in these financial statements is based upon the 2017-2021 Financial Plan adopted by Council on May 8, 2017. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 20,073,762
Add:	
Vancouver Island Regional Library Levy	703,348
Less:	
Sidney Business Improvement Area Levy	(275,953)
Total revenue	20,501,157
Expenses:	
Financial Plan	19,871,878
Add:	
Vancouver Island Regional Library Levy	703,348
Less:	
Sidney Business Improvement Area Levy	(275,953)
Total Expenses	20,299,273
Annual surplus	\$ 201,884

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

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.

(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 through 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 & Ports Facilities captures maintenance of the Town's docks and port infrastructure.

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

(d) Environmental Health Services:

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

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

11. Segmented information (continued):

(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 Building and Bylaw Enforcement functions.

(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 Saanich Peninsula Museum 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.

(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 of the Town. The water is for the purposes of domestic 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, 2017

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2017
Revenue:										
Taxes for municipal purposes	\$ 1,751,366	\$ 3,577,309	\$ 1,954,598	\$ 158,106	\$ 336,371	\$ 2,080,703	\$ 355,500	\$ 507,120	\$ 2,093,874	\$ 12,814,947
Fees, rates and service charges	419,363	609,237	693,555	583,822	53,551	202,723	1,743,667	1,698,940	128,573	6,133,431
Government transfers	-	361,228	5,500	-	-	86,790	-	-	1,017,842	1,471,360
Investment earnings	-	-	-	-	-	-	-	-	242,488	242,488
Gifts and contributions	-	-	1,648,203	-	-	48,619	-	-	194,968	1,891,790
Penalties and interest	-	-	-	2,182	-	-	5,024	5,578	93,807	106,591
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	39,491	39,491
MFA Debt Reserve Fund Surplus	-	-	-	-	-	-	-	-	57,897	57,897
Other	-	-	-	-	-	-	-	-	31,501	31,501
Total revenue	2,170,729	4,547,774	4,301,856	744,110	389,922	2,418,835	2,104,191	2,211,638	3,900,441	22,789,496
Expenses:										
Salaries, wages and benefits	1,452,412	1,941,853	1,423,912	113,599	358,151	952,997	342,769	220,227	14,882	6,820,802
Contracted services	641,661	2,227,016	271,543	576,552	63,760	1,079,137	42,785	1,438,937	428,150	6,769,541
Supplies and equipment	75,773	217,658	347,256	45,912	1,443	349,327	1,515,926	182,624	80	2,735,999
Debt interest	349	22,443	51,212	-	-	82,301	-	-	-	156,305
Other	63,420	33,845	25,367	-	-	70,414	678	54,606	278,340	526,670
Amortization	188,927	258,333	1,279,482	-	-	494,370	210,460	170,583	9,644	2,611,799
Total expenses	2,422,542	4,701,148	3,398,772	736,063	423,354	3,028,546	2,112,618	2,066,977	731,096	19,621,116
Annual surplus	\$ (251,813)	\$ (153,374)	\$ 903,084	\$ 8,047	\$ (33,432)	\$ (609,711)	\$ (8,427)	\$ 144,661	\$ 3,169,345	\$ 3,168,380

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2016
Revenue:										
Taxes for municipal purposes	\$ 1,774,494	\$ 3,320,351	\$ 1,758,855	\$ 154,242	\$ 367,173	\$ 2,074,235	\$ 350,640	\$ 500,343	\$ 2,193,123	\$ 12,493,456
Fees, rates and service charges	399,336	619,076	787,433	571,063	41,895	193,511	1,734,745	1,717,450	12,561	6,077,070
Government transfers	-	408,524	898	-	-	49,669	-	-	988,462	1,447,553
Investment earnings	-	-	-	-	-	-	-	-	224,094	224,094
Gifts and contributions	-	3,933	281,039	-	-	-	-	-	30,000	314,972
Penalties and interest	-	-	-	2,244	-	-	5,351	5,938	81,158	94,691
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	11,520	11,520
Other	30,524	-	-	-	-	-	-	-	297,160	327,684
Total revenue	2,204,354	4,351,884	2,828,225	727,549	409,068	2,317,415	2,090,736	2,223,731	3,838,078	20,991,040
Expenses:										
Salaries, wages and benefits	1,491,785	1,849,168	1,607,906	112,643	338,791	969,858	365,527	248,550	6,866	6,991,094
Contracted services	589,869	2,108,045	400,125	564,895	160,157	1,016,283	51,467	1,445,371	376,599	6,712,811
Supplies and equipment	95,112	190,899	408,005	38,656	4,554	304,388	1,417,294	138,837	-	2,597,745
Debt interest	532	-	35,609	-	-	115,146	-	-	-	151,287
Other	8,306	(13,721)	-	-	-	-	(520)	-	176,252	170,317
Amortization	211,871	251,787	1,191,127	-	-	441,280	200,176	162,496	9,645	2,468,382
Total expenses	2,397,475	4,386,178	3,642,772	716,194	503,502	2,846,955	2,033,944	1,995,254	569,362	19,091,636
Annual surplus	\$ (193,121)	\$ (34,294)	\$ (814,547)	\$ 11,355	\$ (94,434)	\$ (529,540)	\$ 56,792	\$ 228,477	\$ 3,268,716	\$ 1,899,404

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2017

12. 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.

(e) The Town has entered into an Easement Agreement and Parking Agreement with the Saanich 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 to construct a parking lot for employees working in the downtown core. Both agreements commit the Town to two separate payment streams, neither of which is considered a liability at Dec 31, 2017. Under the terms of the agreements, the Town will make payments to MPS as follows:

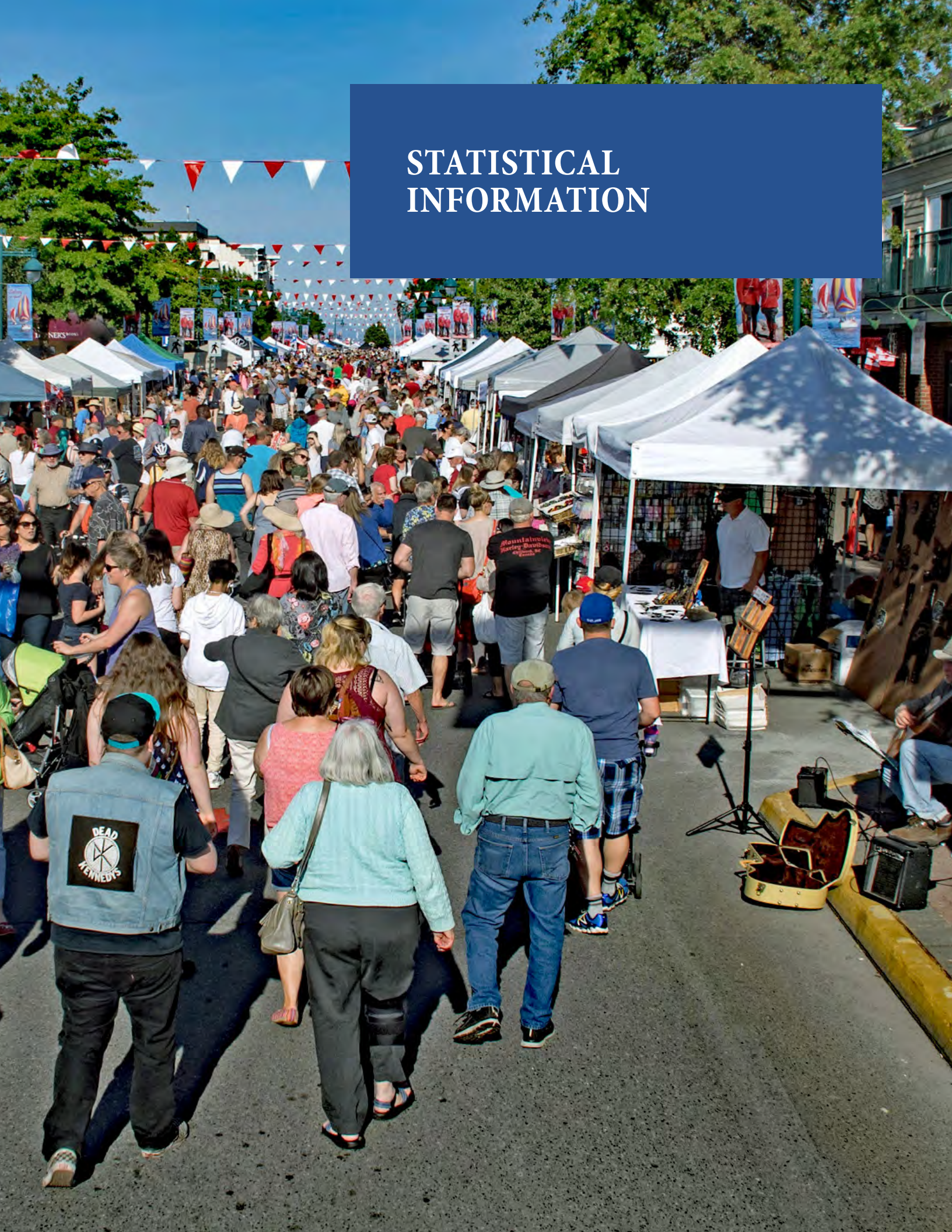
For the Easement Agreement: a total of \$400,000, payable over a five-year term. The payment shall be \$80,000 per calendar year. The first payment in 2017 was pro-rated to \$46,667 to reflect the actual start date of May 23, 2017, and the final payment in 2022 will be \$33,333.

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 2018 payment will be \$54,883; future year payments are estimated to increase by 2.5% 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. This commitment is included in the Town's annual operating budget, under Leisure, Parks and Cultural Services.



STATISTICAL INFORMATION



TAXABLE ASSESSMENT OF LAND AND IMPROVEMENTS

(in thousands)

	2017	2016	2015	2014	2013
Residential	\$ 2,827,820	\$ 2,399,073	\$ 2,283,466	\$ 2,244,663	\$ 2,256,892
Utilities	1,290	1,131	1,100	1,153	1,132
Light Industrial	39,716	38,278	38,604	37,346	37,912
Business / Other	405,436	388,014	380,423	382,777	368,405
Recreation / Non-profit	34,075	31,496	27,272	26,883	27,486
Farm	116	112	116	116	118
	\$ 3,308,453	\$ 2,858,104	\$ 2,730,981	\$ 2,692,938	\$ 2,691,945

Source: BC Assessment Revised Roll

NEW CONSTRUCTION

	2017	2016	2015	2014	2013
Residential *					
# of Permits	110	117	90	69	68
Permit Value	\$ 32,680,496	\$ 43,810,346	\$ 24,675,005	\$ 10,572,245	\$ 4,174,831
Net # of Units Added	114	136	93	27	13
Commercial *					
# of Permits	23	31	17	15	22
Permit Value	\$ 1,747,275	\$ 1,787,600	\$ 677,000	\$ 1,310,185	\$ 4,870,188
Total					
# of Permits	133	148	107	84	90
Permit Value	\$ 34,427,771	\$ 45,597,946	\$ 25,352,005	\$ 11,882,430	\$ 9,045,019
Taxes Generated from New Growth ^	\$ 135,125	\$ 157,992	\$ 49,955	\$ 84,020	\$ 39,537

* Residential construction includes new construction, additions and alterations. Commercial construction includes new construction and tenant improvements.

^ 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

	2017	2016	2015	2014	2013
Municipal (per '000 of assessment)					
Residential	2.708	3.122	3.187	3.137	3.024
Utilities	17.693	18.269	18.839	18.381	17.144
Light Industrial	7.077	7.308	6.769	5.874	5.639
Business / Other	7.077	7.308	7.536	7.352	7.367
Recreation / Non-profit	4.222	4.407	4.684	4.622	4.386
Farm	4.122	4.095	4.062	3.962	3.785
Total - including School, Regional, Transit, etc (per '000 of assessment)					
Residential	5.321	6.192	6.398	6.370	6.166
Utilities	38.422	39.510	40.375	39.824	38.542
Light Industrial	15.880	17.072	16.859	15.969	20.360
Business / Other	15.634	16.795	17.548	17.552	17.669
Recreation / Non-profit	8.605	9.312	9.877	9.907	9.578
Farm	12.677	12.713	12.686	12.569	12.314
Municipal Property Tax Billings by Class					
Residential	\$ 7,659,092	\$ 7,489,234	\$ 7,272,378	\$ 7,041,509	\$ 6,824,368
Utilities	22,815	20,660	20,731	21,199	19,412
Light Industrial	281,072	279,723	261,321	219,360	213,780
Business / Other	2,869,327	2,826,375	2,866,859	2,819,306	2,719,050
Recreation / Non-profit	143,853	138,818	127,885	126,140	120,548
Farm	478	461	471	459	448
	\$ 10,976,638	\$ 10,755,271	\$ 10,549,644	\$ 10,227,973	\$ 9,897,606

Source: Town of Sidney Finance Department

PROPERTY TAX LEVIED AND COLLECTED

	2017	2016	2015	2014	2013
Municipal	\$ 10,976,638	\$ 10,755,271	\$ 10,549,644	\$ 10,227,973	\$ 9,897,606
Parcel Taxes	861,900	852,000	845,460	922,443	915,506
Provincial School	6,171,860	6,404,119	6,581,187	6,660,279	6,544,831
Regional District	2,337,917	2,272,451	2,206,380	2,134,275	2,073,310
BC Transit	1,064,652	1,132,125	1,136,257	1,142,336	1,058,799
Hospital District	1,042,604	1,029,207	1,022,555	1,044,756	1,003,443
Regional Library	703,345	677,145	661,068	628,350	597,327
BC Assessment	189,681	202,865	211,814	218,127	216,888
Municipal Finance Authority	808	712	684	677	673
Business Improvement Area Society	275,952	269,222	262,656	256,251	250,000
Total Tax Levied	\$ 23,625,357	\$ 23,595,117	\$ 23,477,705	\$ 23,235,467	\$ 22,558,383
Total Current Taxes Levied	\$ 23,625,357	\$ 23,595,117	\$ 23,477,705	\$ 23,235,467	\$ 22,558,383
Current Taxes Collected	23,313,232	23,262,821	23,162,188	22,917,057	22,249,615
Percentage	98.68%	98.59%	98.66%	98.63%	98.63%
Arrears Taxes Outstanding, Beginning of Year	436,713	415,834	418,702	437,162	376,969
Arrears Taxes Collected	335,728	281,644	298,502	335,865	276,458
Percentage	76.88%	67.73%	71.29%	76.83%	73.34%
Total Tax Collections*	\$ 23,648,959	\$ 23,544,465	\$ 23,460,690	\$ 23,252,922	\$ 22,526,073

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

Source: Town of Sidney Finance Department

PRINCIPAL CORPORATE TAX PAYERS

Registered Owner	Primary Use	2017 Municipal Tax Levied	2017 Total Tax Levied
Sidney Marina Co Ltd	Marina / Boat Storage / Charters	\$ 144,074	\$ 306,503
Jim Pattison Developments Ltd	Retail	107,413	252,517
Damka Lumber & Development Ltd	Retail	106,288	249,869
Malaview Development Ltd	Manufacturing / Retail	89,524	197,112
0928818 BC Ltd	Hotel	83,895	195,265
Washington State Department Of Transportation	Ferry Terminal	77,062	169,799
P & L Holdings Ltd	Hotel / Office / Retail	77,842	182,278
JR Estates Inc	Senior Care Facility	71,549	127,475
West Sidney Business Park Ltd	Manufacturing / Office / Retail	62,014	136,617
Ko & Shew Ltd	Office / Retail	64,606	151,542
Nicholson Manufacturing Ltd	Industrial / Electrical	61,029	136,720
Sidney Pier Properties Ltd	Hotel	69,020	149,669
Slegg Holdings Ltd	Office / Retail	60,994	143,285
HOBO Holdings Ltd	Office / Retail	60,474	140,313
Emerald Isle Motor Inn Ltd	Hotel	58,397	137,173
Port Sidney Marina Inc	Marina	60,747	128,199
360204 BC Ltd	Office / Retail	50,840	117,362
Amica Mature Lifestyles Inc	Senior Care Facility	46,698	91,560
Scottplast Engineering Ltd	Manufacturing	48,156	107,834
Wendon Manufacturing Ltd	Manufacturing	44,922	100,576
Sidney Pier Holdings	Office / Retail	32,925	76,992
Albion Properties Ltd	Office / Retail	48,040	111,178
Tait Bros Enterprises Ltd	Hotel	42,794	99,968
Beacon Community Association	Senior Care Facility / Office	45,561	99,468
Milwest Holdings Ltd	Storage Facility	36,397	80,185
Ralmax Properties Ltd	Manufacturing	33,152	74,167
Tudor Estates Ltd	Retail	33,188	77,853
BC Telephone Co	Telecommunications	22,144	84,723
Pacific Island Holdings Ltd	Office / Retail	35,725	78,745
2297 Beacon Holdings	Office / Retail	31,065	72,857
Total		\$ 1,806,535	\$ 4,077,806

Source: Town of Sidney Finance Department

DEBENTURE DEBT

(in thousands, except per capita data)

	2017	2016	2015	2014	2013
Gross Outstanding Debt	\$ 6,871	\$ 3,925	\$ 3,960	\$ 4,018	\$ 7,188
Less: Actuarial Allocation	1,091	937	811	710	3,698
Net Debt	\$ 5,779	\$ 2,988	\$ 3,148	\$ 3,308	\$ 3,490
Debt Servicing Cost *					
Property Tax Supported	\$ 303	\$ 320	\$ 315	\$ 314	\$ 332
Specified Area	-	-	-	4	5
Total Debt Servicing Cost	\$ 303	\$ 320	\$ 315	\$ 318	\$ 337
Gross Debt Servicing Limit	\$ 5,020	\$ 4,841	\$ 4,812	\$ 4,570	\$ 4,322
Debt Capacity Available	\$ 4,695	\$ 4,518	\$ 4,482	\$ 4,214	\$ 3,911
Population	11,672	11,672	11,178	11,178	11,178
# of Households	5,603	5,603	5,328	5,328	5,328
Net Debt per Capita	\$ 495	\$ 256	\$ 282	\$ 296	\$ 312
Net Debt per Household	1,031	533	591	621	655
Debt Servicing per Capita	\$ 26	\$ 27	\$ 28	\$ 28	\$ 30
Debt Servicing per Household	54	57	59	60	63

* Debt servicing cost includes principal and interest payments made during the year.

Source: Town of Sidney Finance Department & Statistics Canada

STATEMENT OF FINANCIAL POSITION

(in thousands)

	2017	2016	2015	2014	2013
Financial Assets	\$ 19,778	\$ 18,141	\$ 16,540	\$ 15,126	\$ 14,164
Financial Liabilities	12,303	7,892	7,491	7,092	7,870
Net Financial Assets	\$ 7,475	\$ 10,249	\$ 9,049	\$ 8,035	\$ 6,294

CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands)

	2017	2016	2015	2014	2013
Revenue	\$ 22,789	\$ 20,991	\$ 20,436	\$ 20,125	\$ 18,770
Expenses	19,621	19,092	18,393	17,894	17,913
Annual Surplus	3,168	1,899	2,043	2,230	857
Accumulated Surplus, Beginning of Year	90,764	88,864	86,821	84,590	83,733
Accumulated Surplus, End of Year	\$ 93,932	\$ 90,764	\$ 88,864	\$ 86,821	\$ 84,590

Source: Town of Sidney Finance Department

REVENUES AND EXPENSES

(in thousands)

	2017	2016	2015	2014	2013
Revenue					
Property Taxes	\$ 12,815	\$ 12,493	\$ 12,275	\$ 11,990	\$ 11,629
Fees, Rates and Service Charges	6,133	6,077	5,766	5,403	5,006
Government Transfers	1,471	1,448	1,368	1,960	1,684
Investment Earnings	242	224	208	215	180
Gifts and Contributions	1,892	315	480	292	74
Penalties and Interest	107	95	103	90	91
Actuarial Adjustments on Debt	39	12	25	21	48
MFA Debt Reserve Fund Surplus	58	-	-	-	-
Other	32	328	212	154	58
	\$ 22,789	\$ 20,991	\$ 20,436	\$ 20,125	\$ 18,770
Expenses by Function					
General Government	\$ 2,423	\$ 2,397	\$ 2,196	\$ 2,246	\$ 2,306
Protective Services	4,701	4,386	4,171	4,070	3,955
Transportation	3,399	3,643	3,575	3,434	3,627
Environmental Health Services	736	716	692	676	514
Environmental Development	423	504	375	366	343
Leisure, Parks and Cultural	3,029	2,847	2,767	2,777	2,683
Water Utility	2,113	2,034	2,049	1,823	1,869
Sewer Utility	2,067	1,995	1,939	1,921	2,097
Other	731	569	629	582	519
	\$ 19,621	\$ 19,092	\$ 18,393	\$ 17,894	\$ 17,913
Expenses by Object					
Salaries, Wages and Benefits	\$ 6,821	\$ 6,991	\$ 7,079	\$ 6,795	\$ 6,648
Contracted Services	6,770	6,713	6,464	6,405	6,261
Supplies and Equipment	2,736	2,598	2,010	1,974	2,297
Debt Interest	156	151	156	158	165
Amortization	2,612	2,468	2,391	2,378	2,350
Other	527	170	293	185	192
	\$ 19,621	\$ 19,092	\$ 18,393	\$ 17,894	\$ 17,913

Source: Town of Sidney Finance Department

RESERVE FUNDS

	2017	2016	2015	2014	2013
Reserves Set Aside by Council					
Miscellaneous Operating Purposes	\$ 521,765	\$ 497,510	\$ 504,780	\$ 412,640	\$ 568,576
Miscellaneous Capital Purposes	997,962	867,049	612,122	493,321	601,861
	1,519,727	1,364,559	1,116,902	905,961	1,170,437
Reserve Funds Set Aside for Specific Purposes by Council					
Land Sale Proceeds	239,685	281,752	16,452	16,152	15,852
Parkland Acquisition	129,594	127,494	125,494	619	619
Off-Street Parking	37,125	86,686	80,586	74,586	68,686
Computer Replacement	377,902	451,907	436,427	504,561	396,537
General Equipment Replacement	957,626	886,236	715,225	671,082	491,742
Fire Equipment Replacement	246,178	134,672	478,205	450,779	325,379
Water Capital	394,843	351,975	346,475	340,875	335,275
Sewer Capital	23,816	23,416	23,016	22,616	22,216
Infrastructure	1,808,845	1,818,925	1,566,553	2,201,990	2,326,558
Water Rates Stabilization	228,558	247,955	244,055	240,155	236,255
Amenities	152,814	41,733	20,076	39,476	97,549
Affordable Housing	3,329	-	-	-	-
Ferry Terminal	790,791	626,475	467,725	490,005	553,377
Contingency	84,333	77,033	69,933	62,933	201,133
Agreements	162,040	165,857	143,428	120,078	88,318
Gas Tax - Community Works Fund	1,845,598	1,841,491	1,659,315	1,185,044	-
	7,483,077	7,163,607	6,392,965	6,420,951	5,159,496
Restricted Cash	79,374	48,281	46,968	45,795	45,067
Total Reserves	\$ 9,082,178	\$ 8,576,446	\$ 7,556,835	\$ 7,372,707	\$ 6,375,000

Source: Town of Sidney Finance Department

CAPITAL EXPENDITURES & FUNDING SOURCES

	2017	2016	2015	2014	2013
Expenditures					
General Government	\$ 247,915	\$ 111,579	\$ 363,938	\$ 71,170	\$ 158,832
Protective Services	3,791,279	685,423	208,375	58,751	63,576
Transportation	1,084,670	708,847	1,741,595	1,660,070	1,845,228
Environmental Development	-	-	-	-	33,974
Leisure, Parks and Cultural	642,504	367,565	98,856	377,217	128,481
Water Utility	522,508	351,125	568,116	298,200	19,661
Sewer Utility	417,391	348,049	391,786	155,726	98,012
	\$ 6,706,266	\$ 2,572,587	\$ 3,372,666	\$ 2,621,135	\$ 2,347,763
Funding Sources					
Property Taxes	\$ 111,336	\$ 138,858	\$ 331,695	\$ 227,360	\$ 259,889
Grants	23,400	-	20,605	20,500	20,000
Gifts & Donations	6,870	-	-	47,150	4,014
Gas Tax	522,954	288,831	52,000	93,862	807,669
Debt	2,970,000	87,833	25,300	-	-
Surplus from Operations	704,987	124,250	61,074	85,000	-
Agreements Reserve	27,827	2,003	-	-	13,974
Amenity Reserve	16,259	8,643	95,000	82,124	10,685
Computer Equipment Reserve	171,305	81,420	180,334	576	95,607
Contingency Reserve	-	-	-	124,500	-
Ferry Terminal Reserve	6,750	6,750	188,379	227,572	114,122
Fire Equipment Reserve	-	-	-	-	50,867
General Capital Reserve	30,000	-	-	-	-
Infrastructure Reserve	1,511,479	1,136,029	1,988,136	1,435,069	576,688
Land Reserve	46,667	-	-	-	-
Off-Street Parking Reserve	55,761	-	-	-	9,524
Vehicle Reserve	224,536	567,721	323,032	67,759	147,796
Water Rate Stabilization Reserve	23,396	-	-	-	-
Reserves Set Aside by Council - Capital	179,320	99,565	44,278	163,717	195,806
Parkland Development Cost Charges	60,000	-	-	-	-
Other	13,419	30,683	62,832	45,945	41,121
	\$ 6,706,266	\$ 2,572,587	\$ 3,372,666	\$ 2,621,135	\$ 2,347,763

Source: Town of Sidney Finance Department

AMENITY CONTRIBUTIONS

	Streetscape	Public Art	General	Housing	Total	2016	2015	2014	2013
Balance, Beginning of Year	\$ 25,952	\$ 15,781	\$ -	\$ -	\$ 41,733	\$ 20,076	\$ 39,476	\$ 97,549	\$ 107,028
Amounts Received	125,000	-	1,639	3,329	129,968	30,000	75,000	30,000	-
Expenditures	(16,259)	-	-	-	(16,259)	(8,643)	(95,000)	(89,673)	(10,685)
Interest Earned	435	265	-	-	700	300	600	1,600	1,206
Balance, End of Year	\$ 135,129	\$ 16,046	\$ 1,639	\$ 3,329	\$ 156,142	\$ 41,733	\$ 20,076	\$ 39,476	\$ 97,549

DEVELOPMENT COST CHARGES

	Drainage	Water	Sewer	Parkland	Total	2016	2015	2014	2013
Balance, Beginning of Year	\$ 33,843	\$ 37,986	\$ 21,058	\$ 62,560	\$ 155,447	\$ 147,033	\$ 129,092	\$ 122,437	\$ 121,073
Amounts Received	-	3,622	-	11,025	14,647	6,114	15,841	4,655	-
Expenditures	-	-	-	(60,000)	(60,000)	-	-	-	-
Interest Earned	500	700	300	1,000	2,500	2,300	2,100	2,000	1,364
Waivers / Reductions	-	-	-	-	-	-	-	-	-
Balance, End of Year	\$ 34,343	\$ 42,308	\$ 21,358	\$ 14,585	\$ 112,594	\$ 155,447	\$ 147,033	\$ 129,092	\$ 122,437

PAYMENT IN LIEU OF PARKING

	2017	2016	2015	2014	2013
Balance, Beginning of Year	\$ 86,686	\$ 80,586	\$ 74,586	\$ 68,686	\$ 72,577
Amounts Received Through Development	-	-	-	-	-
Other Contributions	4,800	4,800	4,800	4,800	4,800
Expenditures	(55,761)	-	-	-	(9,524)
Interest Earned	1,400	1,300	1,200	1,100	832
Balance, End of Year	\$ 37,125	\$ 86,686	\$ 80,586	\$ 74,586	\$ 68,686

Source: Town of Sidney Finance Department

COMMUNITY SUPPORT PAYMENTS & PROPERTY TAX EXEMPTIONS

	Community Support Payments	Municipal Property Tax Exemption	2017 Total	2016 Total
676 Kittyhawk Air Cadets Squadron	\$ 500	\$ -	\$ 500	\$ 1,000
Army, Navy and Air Force Veterans of Canada	-	21,074	21,074	19,614
Ballet Victoria	-	-	-	500
BC Aviation Museum	500	-	500	500
Beacon Community Services	7,000	-	7,000	-
Boy Scouts & Girl Guide Hall	-	3,318	3,318	3,023
Church of Jesus Christ of Latter Day Saints	-	11,144	11,144	11,324
Community Arts Council of the Saanich Peninsula	10,000	690	10,690	5,125
Crisis Intervention and Public Information	600	-	600	500
Greater Victoria Bike to Work Society	500	-	500	500
Memorial Park Society / Mary Winspear Centre	269,108	85,709	354,817	347,048
Navy League of Canada	500	-	500	500
New Marine Centre Society	65,000	17,615	82,615	82,509
O.R.C.C.A.	1,500	-	1,500	1,000
Peace Lutheran Church	500	6,893	7,393	7,064
Peninsula Baseball & Softball Association	-	-	-	500
Peninsula Celebrations Society	12,000	-	12,000	12,000
Peninsula Dry Grad Society	1,500	-	1,500	1,000
Peninsula Figure Skating Club	500	-	500	500
Saanich Marine Rescue Society	1,500	-	1,500	1,600
Saanich Peninsula Chamber of Commerce	-	-	-	63,644
Saanich Peninsula Christadelphians	-	2,962	2,962	2,990
Saanich Peninsula Pipe Band	500	-	500	500
Saanich Peninsula Piranha Swim Club	500	-	500	500
School District #63	10,474	-	10,474	9,139
Shoal Centre / Beacon Community Services	-	59,193	59,193	65,724
Sidney Business Improvement Area Society	104,671	3,527	108,198	33,825
Sidney Concert Series	500	-	500	500
Sidney Guide & Scout Hall Society	500	-	500	500
Sidney Historical Museum	-	6,102	6,102	6,004
Sidney Lion's Food Bank	-	3,397	3,397	3,368
South Island Prosperity Project	26,722	-	26,722	11,860
St. Andrew's Anglican Church	500	4,639	5,139	4,760
St. Elizabeth Church	500	7,780	8,280	8,063
St. Paul's United Church	-	3,928	3,928	3,913
Vancouver Island South Film & Media Commission	500	-	500	500
Victoria Human Exchange Society	1,500	-	1,500	1,500
	\$ 518,075	\$ 237,970	\$ 756,045	\$ 713,099

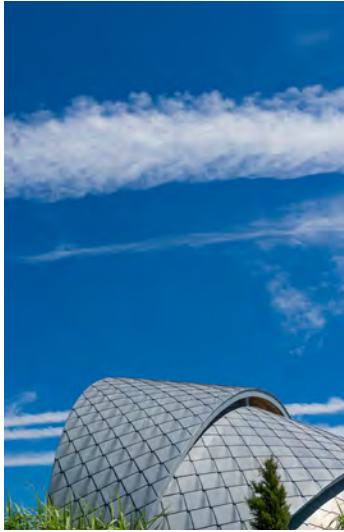
Source: Town of Sidney Finance Department

STRATEGIC COMMUNITY INVESTMENT FUNDS PLAN & PROGRESS REPORT

Small Community Portion of SCI Funds		
Intended Use	Performance Targets	Progress made in reporting period
Use funding to support local government services to minimize tax rates increases.	Minimize tax rate increases	\$343,927 in Small Community Grants were received in 2017. These funds were used to fund general municipal services in 2017. A tax increase of 3.13% would have been required to generate the level of funding used in 2017.

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.	\$106,502 in Traffic Fine Revenue was received in 2017. These funds were used towards the police operating budget in 2017.

Source: Town of Sidney Finance Department



Sidney
by the sea



contact us
phone: 250-656-1184
email: admin@sidney.ca
www.sidney.ca

 townofsidneybc
 @townofsidneybc
 townofsidneybc

