

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020



TOWN OF SIDNEY

BRITISH COLUMBIA

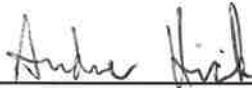
TABLE OF CONTENTS

STATEMENT OF APPROVAL	2
MANAGEMENT REPORT	3
FINANCIAL STATEMENTS	4
SCHEDULE OF DEBTS.....	32
SCHEDULE OF IDEMNITY AND GUARANTEES	33
SCHEDULE OF REMENURATION AND EXPENSES	34
SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES	36

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020

STATEMENT OF APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approve all the statements and schedules included in this Statement of Financial Information for the year ended December 31, 2020, produced under the *Financial Information Act*.



Andrew Hicik
Chief Financial Officer

June 15, 2021



Cliff McNeil-Smith
Mayor, On behalf of Council

June 15, 2021

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020

MANAGEMENT REPORT

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

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

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

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

On behalf of the Town of Sidney,



Andrew Hicik
Chief Financial Officer

June 15, 2021

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020

FINANCIAL STATEMENTS



TOWN OF SIDNEY

BRITISH COLUMBIA



TOWN OF SIDNEY

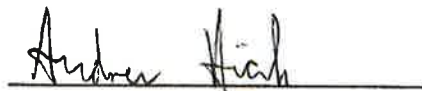
FINANCIAL REPORTING RESPONSIBILITY

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

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

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

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



Director of Corporate Services



KPMG LLP
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800-730 View Street
Victoria BC V8W 3Y7
Canada
Telephone 250-480-3500
Fax 250-480-3539

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councillors of the Town of Sidney

Opinion

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

- the statement of financial position as at December 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
May 10, 2021

TOWN OF SIDNEY

Statement of Financial Position December 31, 2020, with comparative figures for 2019

	2020	2019
Financial assets:		
Cash	\$ 20,553,605	\$ 13,871,052
Investments	9,500,000	9,055,997
Property taxes receivable	445,856	312,219
Accounts receivable	2,240,523	2,514,668
MFA Debt Reserve Fund cash	141,097	108,429
	<u>32,881,081</u>	<u>25,862,365</u>
Liabilities:		
Accounts payable and accrued liabilities	5,484,967	1,958,758
Deferred revenue and deposits (note 2)	8,271,511	5,591,965
Employee future benefit liability (note 3)	947,900	841,100
Debt (note 4)	10,548,145	12,306,949
	<u>25,252,523</u>	<u>20,698,772</u>
Net financial assets	7,628,558	5,163,593
Non-financial assets:		
Tangible capital assets (note 5)	102,054,431	100,740,560
Inventory of supplies	221,731	162,615
Prepaid expenses	196,837	85,260
	<u>102,472,999</u>	<u>100,988,435</u>
Accumulated surplus (note 6)	\$ 110,101,557	\$ 106,152,028

Contractual rights (note 12)

Commitments and contingent liabilities (note 13)

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

TOWN OF SIDNEY

Statement of Operations and Accumulated Surplus Year ended December 31, 2020, with comparative figures for 2019

	Budget 2020 <i>(note 10)</i>	Actual 2020	Actual 2019
Revenue:			
Net taxes available for municipal purposes (note 7)	\$ 13,796,210	\$ 13,790,704	\$ 13,979,584
Fees, rates and service charges	6,503,244	6,671,431	6,504,441
Government transfers (note 8)	2,271,626	4,654,693	2,104,138
Investment earnings	300,000	292,571	413,017
Gifts and contributions	911,588	1,409,740	1,290,474
Penalties and interest	108,000	65,970	117,229
Actuarial adjustment on debt	-	62,727	54,353
Other	9,000	25,322	8,185,196
Total revenue	23,899,668	26,973,158	32,648,432
Expenses:			
General government	2,647,822	2,486,146	2,431,663
Protective services	6,076,364	6,311,467	5,605,209
Transportation	4,268,288	4,298,791	4,328,865
Environmental health services	855,275	770,050	776,740
Environmental development	651,800	570,821	523,236
Leisure, parks and cultural	3,176,944	3,179,621	3,055,850
Water utility	2,249,601	2,189,187	2,139,798
Sewer utility	2,209,705	2,209,428	2,065,729
Other (note 9)	885,366	1,008,118	1,011,442
Total expenses	23,021,164	23,023,629	21,938,532
Annual surplus	878,504	3,949,529	10,709,900
Accumulated surplus, beginning of year	106,152,028	106,152,028	95,442,128
Accumulated surplus, end of year	\$ 107,030,532	\$ 110,101,557	\$ 106,152,028

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

TOWN OF SIDNEY

Statement of Changes in Net Financial Assets (Net Debt) Year ended December 31, 2020, with comparative figures for 2019

	Budget 2020	Actual 2020	Actual 2019
	<i>(note 10)</i>		
Annual surplus	\$ 878,504	\$ 3,949,529	\$ 10,709,900
Acquisition of tangible capital assets	(10,097,097)	(4,401,164)	(8,272,217)
Amortization of tangible capital assets	3,000,000	2,995,929	2,933,102
Loss (gain) on disposal of tangible capital assets	-	42,580	(150,895)
Gain on disposal of asset held for sale	-	-	(7,942,489)
Disposal of asset held for sale	-	-	(1,040,775)
Proceeds on disposal of tangible capital assets	-	48,784	243,235
Proceeds on disposal of asset held for sale	-	-	8,983,264
	(6,218,593)	2,635,658	5,463,125
Acquisition of inventory of supplies	-	(221,731)	(162,615)
Acquisition of prepaid expense	-	(196,837)	(85,260)
Consumption of inventory of supplies	-	162,615	145,209
Use of prepaid expenses	-	85,260	74,865
Change in net financial assets	(6,218,593)	2,464,965	5,435,324
Net financial assets (Net debt), beginning of year	5,163,593	5,163,593	(271,731)
Net financial assets (Net debt), end of year	\$ (1,055,000)	\$ 7,628,558	\$ 5,163,593

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

TOWN OF SIDNEY

Statement of Cash Flows Year ended December 31, 2020, with comparative figures for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,949,529	\$ 10,709,900
Items not involving cash:		
Amortization	2,995,929	2,933,102
Loss (gain) on disposal of tangible capital assets	42,580	(150,895)
Gain on disposal of assets held for sale	-	(7,942,489)
Developer contribution of tangible capital assets	(29,246)	(158,866)
Change in employee future benefit liability	106,800	96,300
Actuarial adjustment on debt	(62,727)	(54,353)
Changes in non-cash assets and liabilities:		
Property taxes receivable	(133,637)	138,179
Accounts receivable	274,145	(782,506)
Accounts payable and accrued liabilities	3,526,209	(1,819,729)
Deferred revenue	2,679,546	1,082,723
Inventory of supplies	(59,116)	(17,406)
Prepaid expenses	(111,577)	(10,395)
Net change in cash from operating activities	13,178,435	4,023,565
Capital activities:		
Proceeds on disposal of tangible capital assets	48,784	243,235
Proceeds on disposal of asset held for sale	-	8,983,264
Cash used to acquire tangible capital assets	(4,371,917)	(8,113,351)
Net change in cash from capital activities	(4,323,133)	1,113,148
Investment activities:		
Investments	(444,003)	(911,300)
Net change in cash from investing activities	(444,003)	(911,300)
Financing activities		
Municipal Finance Authority debt reserve adjustment	(32,668)	(27,328)
Debt issued and assumed	3,043,437	2,500,000
Long-term debt repaid	(4,739,515)	(2,683,936)
Net change in cash from financing activities	(1,728,746)	(211,264)
Net change in cash and cash equivalents	6,682,553	4,014,149
Cash and cash equivalents, beginning of year	13,871,052	9,856,903
Cash and cash equivalents, end of year	\$ 20,553,605	\$ 13,871,052
Cash paid for interest	\$ 328,937	\$ 393,003
Cash received from interest	358,541	530,246

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

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

1. Significant accounting policies:

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

(a) Reporting entity:

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

(b) Basis of accounting:

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

(c) Government transfers:

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

(d) Property tax revenue:

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

(e) Deferred revenue:

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

1. Significant accounting policies (continued):

(f) Investments:

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

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

(g) Employee future benefits:

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

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

(h) Non-financial assets:

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

(i) Tangible capital assets

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

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

Amortization is charged annually. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to the Town's ability to provide services, or when the value of future economic benefits associated with the asset is less than the book value.

(ii) Contribution of tangible capital assets

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(iii) Works of art and cultural and historic assets

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

(iv) Interest capitalization

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

(v) Leased tangible capital assets

Leased assets which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(i) Foreign currency:

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

(j) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. 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.

Beginning March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. Many governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, business closures, quarantines and a general reduction in operational activities. While these affects are expected to be temporary, the duration of the disruption and related financial impact cannot be reasonably estimated at this time. Given the unprecedented and pervasive impact of changing circumstances surrounding the COVID-19 pandemic, there is inherently more uncertainty as compared to prior periods.

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

1. Significant accounting policies (continued):

(k) Contaminated sites:

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

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

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

2. Deferred revenue and deposits:

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

	Balance at Dec 31, 2019	Recognized as revenue or refunded	Interest earned	Current year deferred	Balance at Dec 31, 2020
Prepaid property taxes	\$ 1,535,925	\$ (1,535,925)	\$ -	\$1,595,097	\$ 1,595,097
Prepaid fees and charges	545,310	(479,238)	-	881,337	947,409
Deferred developer contributions & deposits	2,289,368	(1,074,379)	1,600	2,421,278	3,637,867
Deposits on hold	1,221,362	(553,048)	-	1,422,824	2,091,138
	\$ 5,591,965	\$ (3,642,590)	\$ 1,600	\$ 6,320,536	\$ 8,271,511

3. Employee future benefit liability:

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

3. Employee future benefit liability (continued):

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

	2020	2019
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 800,700	\$ 879,200
Current service cost	90,200	89,700
Interest cost	22,300	30,800
Benefits paid	(17,200)	(49,300)
Actuarial adjustment	5,000	(149,700)
Balance, end of year	901,000	800,700
Unamortized net actuarial gain (loss)	46,900	40,400
Accrued employee benefit liability	\$ 947,900	\$ 841,100

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 11 years (2019 - 11 years).

The liabilities are based on an actuarial valuation of the Town's employee future benefits completed as at October 1, 2019 and extrapolated to December 31, 2020.

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

	2020	2019
Discount rates	2.00%	2.60%
Expected wage and salary increases	2.50%	2.50%

The Town funds the employee future benefits with tax revenues from the general operating fund. The total expense recorded in the financial statements in respect of obligations under this plan amounts to \$124,000 (2019 - \$145,600).

Municipal pension plan:

The Town and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted 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, 2019, the Plan had about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

3. Employee future benefit liability (continued):

The most recent valuation, as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2021, with results available in 2022.

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 \$629,925 for employer contributions (2019 - \$613,455) and Town employees paid \$543,949 for employee contributions (2019 - \$528,187) to the plan in fiscal 2020.

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, 2017. The next valuation will be as at December 31, 2020, with results available in 2021. At December 31, 2019, the total plan provision for approved and unreported claims was \$19,081,300 with a net surplus of \$4,244,806. The actuary does not attribute any portions of the net surplus to individual employers.

The Town paid \$73,080 for employer contributions (2019 - \$71,824) and Town employees paid \$73,067 for employee contributions (2019 - \$71,772) to the plan in 2020.

4. Debt:

(a) The Town issues debt instruments through the Municipal Finance Authority (MFA), pursuant to loan authorization bylaws under authority of the Community Charter and the Local Government Act, to finance certain capital expenditures. Sinking fund contributions, managed by the MFA, are made annually. The 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 2020	Net debt 2019
Short-Term and Other debt	\$ 37,776	\$ -	\$ 37,776	\$ 4,503,762
Long-Term Debt	12,350,000	1,839,631	10,510,369	7,803,187
	\$ 12,387,776	\$ 1,839,631	\$ 10,548,145	\$ 12,306,949

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

4. Debt (continued):

Under borrowing arrangements with the MFA, the Town is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Town. At December 31, 2020 there were contingent demand notes of \$215,833 (2019 - \$179,088) and cash deposits of \$141,097 (2019 - \$108,429). The demand notes are not included in the financial statements of the Town; however, the cash deposits are included in the financial statements as MFA Debt Reserve Fund Cash.

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

2021	\$	308,070
2022		269,615
2023		265,620
2024		265,620
2025		265,620
2026-2050		9,135,824
	\$	10,510,369

- (d) Scheduled debt repayments may be suspended should sinking fund accumulations exceed original estimates.
- (e) Total interest paid on debt during the year was \$328,937 (2019 - \$393,003).
- (f) Existing long-term debt matures in annual amounts to the year 2050, and interest rates range from 1.28% to 3.40%. The weighted average interest rate for 2020 was 2.53% (2019 - 3.23%).
- (g) Included in other debt is an Equipment Financing Loan Agreement with the Municipal Finance Authority totaling \$37,776 (2019 - \$3,762) to finance the purchase of a tangible capital asset.

The loan is repaid in monthly payments of \$756 with maturity in 2025. The loan is repayable on demand upon occurrence of any event of default. Interest is charged on a daily floating rate basis and compounded monthly. At year end, the current floating rate was 1.22% per annum. Interest paid during the year was \$422 (2019 - \$171) 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 \$43,437 to the MFA.

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

5. Tangible capital assets:

Cost	Balance at Dec 31, 2019	Additions	Disposals / Transfers	Balance at Dec 31, 2020
Land	\$ 14,291,854	\$ -	\$ -	\$ 14,291,854
Land improvements	15,089,494	1,046,660	84,760	16,220,914
Building and building improvements	29,575,902	681,078	(196,047)	30,060,933
Vehicles, machinery and equipment	11,669,669	689,185	(414,659)	11,944,195
Water and wastewater infrastructure	44,621,395	217,422	158,271	44,997,088
Roads infrastructure	31,193,251	504,196	259,267	31,956,714
Assets under construction	1,148,631	1,262,623	(620,235)	1,791,019
Total	\$ 147,590,196	\$ 4,401,164	\$ (728,643)	\$ 151,262,717

Accumulated Amortization	Balance at Dec 31, 2019	Amortization Expense	Disposals	Balance at Dec 31, 2020
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	5,793,842	447,214	(4,465)	6,236,591
Building and building improvements	7,393,362	715,071	(180,576)	7,927,857
Vehicles, machinery and equipment	6,142,905	639,857	(363,317)	6,419,445
Water and wastewater infrastructure	16,577,652	624,704	-	17,202,356
Roads infrastructure	10,941,875	569,083	(88,921)	11,422,037
Assets under construction	-	-	-	-
Total	\$ 46,849,636	\$ 2,995,929	\$ (637,279)	\$ 49,208,286

Net Book Value	Balance at Dec 31, 2019	Balance at Dec 31, 2020
Land	\$ 14,291,854	\$ 14,291,854
Land improvements	9,295,652	9,984,323
Building and building improvements	22,182,540	22,133,076
Vehicles, machinery and equipment	5,526,764	5,524,750
Water and wastewater infrastructure	28,043,743	27,794,732
Roads infrastructure	20,251,376	20,534,677
Assets under construction	1,148,631	1,791,019
Total	\$ 100,740,560	\$ 102,054,431

(a) Assets under construction

Assets under construction of \$1,791,019 (2019 - \$1,148,631) 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 \$29,246 (2019 - \$158,866).

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

5. Tangible capital assets (continued):

(c) Works of art and historical cultural assets

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

6. Accumulated surplus:

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

	2020	2019
Surplus:		
Invested in tangible capital assets	\$ 91,506,286	\$ 88,433,611
Surplus from operations	4,258,233	5,103,227
Total surplus	95,764,519	93,536,838
Reserves set aside by Council:		
Miscellaneous operating purposes	2,777,352	374,458
Miscellaneous capital purposes	757,422	944,720
Total reserves	3,534,774	1,319,178
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	1,060,663	3,130,542
Parkland acquisition	221,344	218,744
Off-street parking	886,525	587,385
Computer replacement	420,805	374,466
General equipment replacement	1,004,356	1,386,610
Fire equipment replacement	449,753	296,153
Water capital	187,055	301,955
Sewer capital	25,216	24,916
Infrastructure replacement	2,465,155	1,780,666
Water rates stabilization	66,667	104,547
Amenities	1,320,279	371,622
Affordable housing	-	513,528
Ferry terminal	975,618	746,827
Contingency	-	88,233
Agreements	185,143	172,426
Gas Tax - Community Works Fund	1,392,588	1,088,964
Total reserve funds	10,661,167	11,187,583
MFA Debt Reserve Fund cash	141,097	108,429
	\$ 110,101,557	\$ 106,152,028

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

6. Accumulated surplus (continued):

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 future eligible expenditures under the Agreement.

	2020	2019
Federal gas tax agreement funds		
Gas tax agreement funds, beginning of year	\$ 1,088,964	\$ 1,066,474
Amounts received during the year	546,656	1,095,470
Interest earned restricted for projects	13,100	26,700
Expenditures	(256,132)	(1,099,680)
Gas tax agreements funds, end of year	\$ 1,392,588	\$ 1,088,964

7. Net taxes available for municipal purposes:

	2020	2019
Taxes:		
Property taxes	\$ 23,938,373	\$ 24,891,877
Revenue in lieu of taxes	276,154	280,250
Other	956,280	949,715
	25,170,807	26,121,842
Less taxes on behalf of:		
Provincial Government School Authorities	5,794,650	6,810,313
Capital Regional District	2,675,642	2,520,303
Capital Regional Hospital District	1,066,493	1,112,745
BC Transit	1,294,928	1,179,715
BC Assessment Authority	235,083	212,723
Municipal Finance Authority	1,093	1,060
Business Improvement Area	312,214	305,399
	11,380,103	12,142,258
Net taxes available for municipal purposes	\$ 13,790,704	\$ 13,979,584

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

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:

	2020	2019
Federal grants:		
Gas Tax - Community Works Funding	\$ 546,656	\$ 1,095,470
Provincial grants:		
COVID-19 Restart Grant	2,758,000	-
COVID-19 Emergency Operations Center	326,343	-
Federal / provincial capital grant programs	50,989	31,428
Small community protection grant	331,056	336,784
Traffic fine revenue sharing	112,620	92,813
Other provincial grants	12,234	52,308
	3,591,242	513,333
Regional and other local governments:		
Policing	459,146	410,456
Recreation	57,649	64,591
Other	-	20,288
	516,795	495,335
Total government transfer revenue	\$ 4,654,693	\$ 2,104,138

9. Other expenses:

	2020	2019
Grants to non-government organizations:		
Sidney and North Saanich Memorial Park Society	\$ 359,860	\$ 340,608
Shaw Centre for the Salish Sea	205,000	125,000
Sidney Business Improvement Area Society	102,208	122,426
ArtSea Community Arts Council	28,000	28,000
South Island Prosperity Project	26,722	26,722
Saanich Peninsula Chamber of Commerce	-	20,000
Peninsula Celebrations Society	12,000	12,000
Other	35,309	37,779
	769,099	712,535
Interest on prepaid taxes	6,722	23,667
Amortization and net loss on miscellaneous assets	112,362	153,268
Other	119,935	121,972
	\$ 1,008,118	\$ 1,011,442

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

10. Budget data:

The budget data presented in these financial statements is based upon the 2020-2024 Financial Plan adopted by Council on May 11, 2020. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 23,382,974
Add:	
Vancouver Island Regional Library Levy	829,728
Sidney Business Improvement Area Levy	(313,034)
Total revenue	23,899,668
Expenses:	
Financial Plan	22,504,470
Add:	
Vancouver Island Regional Library Levy	829,728
Less:	
Sidney Business Improvement Area Levy	(313,034)
Total expenses	23,021,164
Annual surplus	\$ 878,504

11. Segmented information:

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

(a) General Government:

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

(b) Protective Services:

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

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

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

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

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

11. Segmented information (continued):

(c) Transportation Services:

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

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

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

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

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

(d) Environmental Health Services:

Environmental Health Services provides garbage, organics and compost collection and disposal services to residents and businesses through the Town's designated contractors, as well as any programs, services or projects having an environmental focus.

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

11. Segmented information (continued):

(g) Sewer and Water Utilities:

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

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

(h) Other:

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

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

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

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

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

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

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2020

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2020
Revenue:										
Taxes for municipal purposes	\$ 1,874,168	\$ 4,191,104	\$ 1,818,859	\$ 179,889	\$ 555,361	\$ 2,365,703	\$ 395,850	\$ 560,430	\$ 1,849,340	\$ 13,790,704
Fees, rates and service charges	475,615	837,766	1,000,659	584,089	11,459	128,701	1,776,536	1,677,974	178,632	6,671,431
Government transfers	-	850,710	200	-	4,000	51,449	-	-	3,748,334	4,654,693
Investment earnings	-	-	-	-	-	-	-	-	292,571	292,571
Gifts and contributions	-	-	130,724	-	-	16,214	-	-	1,262,802	1,409,740
Penalties and interest	-	-	-	1,102	-	-	3,114	3,232	58,522	65,970
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	62,727	62,727
Other	-	-	-	-	-	-	-	-	25,322	25,322
Total revenue	2,349,783	5,879,580	2,950,442	765,080	570,820	2,562,067	2,175,500	2,241,636	7,478,250	26,973,158
Expenses:										
Salaries, wages and benefits	1,596,665	2,442,260	1,264,397	129,401	489,696	1,051,567	280,583	277,722	5,138	7,537,429
Contracted services	612,383	2,619,033	534,817	598,023	80,349	1,201,646	43,291	1,510,976	736,131	7,936,649
Supplies and equipment	71,494	324,061	435,963	42,626	776	277,404	1,631,721	187,163	-	2,971,208
Debt interest	32	220,234	51,549	-	-	57,122	-	-	17,967	346,904
Other	5,607	97,201	662,832	-	-	145,614	5,629	78,726	239,902	1,235,511
Amortization	199,965	608,679	1,349,233	-	-	446,268	227,963	154,841	8,980	2,995,929
Total expenses	2,486,146	6,311,467	4,298,791	770,050	570,821	3,179,621	2,189,187	2,209,428	1,008,118	23,023,629
Annual surplus (deficit)	\$ (136,363)	\$ (431,887)	\$ (1,348,349)	\$ (4,970)	\$ (1)	\$ (617,554)	\$ (13,687)	\$ 32,208	\$ 6,470,132	\$ 3,949,529

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2020

11. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development Services	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2019
Revenue:										
Taxes for municipal purposes	\$ 1,826,885	\$ 3,933,549	\$ 1,800,963	\$ 208,798	\$ 529,936	\$ 2,342,128	\$ 392,665	\$ 557,050	\$ 2,387,610	\$ 13,979,584
Fees, rates and service charges	451,463	831,789	1,052,236	574,188	30,088	104,586	1,719,938	1,663,246	76,907	6,504,441
Government transfers	-	483,320	160	-	20,000	75,591	-	-	1,525,067	2,104,138
Investment earnings	-	-	-	-	-	-	-	-	413,017	413,017
Gifts and contributions	1,000	960,559	-	-	-	10,800	-	-	318,115	1,290,474
Penalties and interest	-	-	-	1,993	10,000	-	5,544	5,674	94,018	117,229
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	54,353	54,353
Other	-	-	-	-	-	-	-	-	8,185,196	8,185,196
Total revenue	2,279,348	6,209,217	2,853,359	784,979	590,024	2,533,105	2,118,147	2,225,970	13,054,283	32,648,432
Expenses:										
Salaries, wages and benefits	1,590,255	2,167,745	1,582,915	129,031	448,197	1,006,629	306,237	242,945	5,359	7,479,313
Contracted services	579,025	2,376,680	540,432	613,160	74,636	1,145,129	39,364	1,483,301	708,702	7,560,429
Supplies and equipment	72,538	211,059	286,611	34,549	403	343,836	1,556,311	159,506	-	2,664,813
Debt interest	167	261,239	51,159	-	-	80,439	-	-	15,121	408,125
Other	15,649	2,829	574,809	-	-	10,497	16,351	-	272,615	892,750
Amortization	174,029	585,657	1,292,939	-	-	469,320	221,535	179,977	9,645	2,933,102
Total expenses	2,431,663	5,605,209	4,328,865	776,740	523,236	3,055,850	2,139,798	2,065,729	1,011,442	21,938,532
Annual surplus (deficit)	\$ (152,315)	\$ 604,008	\$ (1,475,506)	\$ 8,239	\$ 66,788	\$ (522,745)	\$ (21,651)	\$ 160,241	\$ 12,042,841	\$ 10,709,900

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

12. Contractual rights:

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

2021	614,912
2022	569,988
2023	569,822
	\$ 1,754,722

In addition to these contractual rights, the Town has agreements with several parties that provide for the recovery of costs and payment of annual fees and commissions based on annual results.

13. Commitments and contingent liabilities:

- (a) Under Section 412 of the Local Government Act, all member municipalities are jointly and severally liable for the indebtedness of the Capital Regional District in the event of default by the Regional District.
- (b) The Town is a participant in the Municipal Insurance Association of British Columbia (MIABC). Should the MIABC pay out claims in excess of premiums received, it is possible that the Town, along with other participants, would be required to contribute towards the deficit. Management does not consider external payment under this contingency to be likely and therefore, no amounts have been accrued.
- (c) The Town is a shareholder and member of Capital Regional Emergency Service Telecommunications (CREST) Incorporated, which provides centralized emergency communications and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.
- (d) The Town has an RCMP Premises Agreement with the District of North Saanich for the provision of accommodations for a joint RCMP detachment. The parties jointly own the building occupied by the policing detachment, in proportion to their relative contributions to the principal repayment of the debt incurred in order to construct the building. North Saanich's proportionate share is approximately 36%. The Agreement requires the Town to pay to North Saanich their proportionate share of the fair market value of the building should the parties eventually decide to terminate their agreement to provide joint accommodations.

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

TOWN OF SIDNEY

Notes to Financial Statements Year ended December 31, 2020

13. Commitments and contingent liabilities (continued):

- (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 for the location of a parking lot for employees working in the downtown core. The agreements commit the Town to two separate payment streams, neither of which is considered a liability at December 31, 2020. 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 2020 payment was \$59,810 and the 2021 payment will be \$58,650; 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.

14. Comparative Information

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.

TOWN OF SIDNEY

BC Safe Restart Grant Schedule Year Ended December 31, 2020 (Unaudited)

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

	2020
COVID-19 Safe Restart Grant	
COVID-19 Safe Restart Grant received	\$ 2,758,000
Eligible costs incurred:	
Revenue Shortfalls	\$ (550,000)
Protective services	(50,000)
Engineering and public works	(50,000)
COVID-19 Safe Restart Grant, end of year	\$ 2,108,000

**STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020**

SCHEDULE OF DEBTS

DEBT TYPE	DESCRIPTION	ORIGINAL LOAN PROCEEDS	PRINCIPAL BALANCE DEC 31/19	NEW DEBT 2020	PRINCIPAL PAID 2020	INTEREST PAID 2020	ACTUARIAL EARNINGS 2020	PRINCIPAL BALANCE DEC 31/20	INTEREST RATE	MATURITY YEAR
Long Term	Tulista Park	\$ 770,000	\$ 125,520	\$ -	\$ 38,455	\$ 13,475	\$ 26,101	\$ 60,964	1.75%	2021
Long Term	Tulista Park	80,000	18,236	-	3,995	1,800	2,591	11,649	2.25%	2022
Long Term	Lochside/Iroquois	1,448,000	1,069,308	-	34,769	41,847	14,669	1,019,869	1.28%	2035
Long Term	Iroquois/Public Works Yard	1,073,000	833,521	-	25,765	34,873	9,811	797,946	3.25%	2036
Long Term	Public Works Yard	479,000	385,534	-	11,502	16,286	4,079	369,954	3.40%	2037
Long Term	Community Safety Building	3,000,000	2,871,069	-	63,058	94,500	4,327	2,803,685	3.15%	2047
Long Term	Community Safety Building	2,500,000	2,500,000	-	52,548	66,500	1,149	2,446,303	2.66%	2049
Short Term	Community Safety Building	7,000,000	4,500,000	-	4,500,000	29,384	0	0	Variable	2020
Long Term	Community Safety Building	3,000,000	0	3,000,000	0	29,850	-	3,000,000	1.99%	2050
Financing	Equipment	25,300	3,762	43,437	9,423	422	-	37,776	Variable	2025
Total Debt		\$ 19,375,300	\$ 12,306,949	\$ 3,043,437	\$ 4,739,515	\$ 328,937	\$ 62,727	\$ 10,548,145		

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

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020
SCHEDULE OF IDEMNITY AND GUARANTEES

No indemnity and guarantee agreements in 2020.

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020

SCHEDULE OF REMUNERATION AND EXPENSES

ELECTED OFFICIALS		REMUNERATION			
NAME	POSITION	GROSS	BENEFITS	TOTAL	EXPENSES
McNeil-Smith, Cliff	Mayor	\$ 39,275	\$ -	\$ 39,275	\$ 435
Duncan, Sara	Councillor	15,688	-	15,688	445
Fallot, Barbara	Councillor	15,762	1,455	17,217	514
Garnett, Scott	Councillor	15,688	-	15,688	-
O'Keefe, Terri	Councillor	15,762	1,455	17,217	95
Rintoul, Chad	Councillor	15,688	-	15,688	-
Wainwright, Peter	Councillor	15,762	1,455	17,217	-
Total Elected Officials		\$ 133,624	\$ 4,364	\$ 137,988	\$ 1,489

EMPLOYEES		REMUNERATION	EXPENSES
NAME	POSITION		
Mikkelsen, Brett	Fire Chief	\$ 188,569	\$ 3,097
Humble, Randy	Chief Administrative Officer	188,337	309
Harman, Mike	Deputy Fire Chief	153,730	2,128
Hicik, Andrew	Director of Corporate Services	142,925	309
Clary, Jenn	Director of Engineering	129,369	775
Verhagen, Alison	Sr. Manager Current Planning	125,944	843
Robinson, Brian	Manager Public Works & Parks	125,898	888
Maxwell, Will	Manager of Information Services	120,824	-
Restell, Troy	Manager of Finance	119,757	953
Newcomb, Corey	Sr. Manager Long-Term Planning	116,930	936
Sumberac, Adriano	Foreman, Surface Infrastructure	111,757	-
Demaere, Bruce	Manager of Engineering	111,191	700
Nelson, Sandi	Corporate Officer	109,940	538
Pelton, Craig	Career Firefighter	105,049	850
Blinko, Darrin	Career Firefighter	102,961	764
Kimber, Mike	Foreman, Underground Utilities	98,529	264
Hildebrand, Vaughn	Senior Building Official	95,309	674
MacKenzie, Kevin	Career Firefighter	95,115	1,716
McArthur, Deborah	RCMP - Office Manager	90,792	-
Halliday, Clifford Sr	Foreman, Parks	88,146	1,388
Green, Ron	Electrician	86,628	302
Campeau, Ryan	Senior Engineering Technician	84,240	3,614
Atkinson, Kevin	Bylaw Enforcement Officer	83,418	60
Jones, Dan	Building Official	80,586	3,712
Benson, Greg	Fleet Mechanic	79,891	-
Wilson, Annette	Police Clerk III (Crime Analyst/Quality Control)	75,890	-
Joe, Jesse	GIS Technician	75,871	1,112
Chen, Kathy	Senior Accountant	75,765	-
Cooke, Rob	Safety Coordinator/Yard Person	75,552	2,563
		\$ 3,138,912	\$ 28,493
Consolidated total of other employees with remuneration of \$75,000 or less:		3,863,643	n/a
Total Employees		\$ 7,002,555	\$ 28,493

Council Insurance Policies:

2020 Accident Death & Dismemberment Insurance for loss resulting from injury while performing duties associated with the position - AIG Insurance Company Policy #VFP 9149863
 Principal Sum - \$250,000 Weekly Accident Indemnity - \$750 Accident Reimbursement - \$25,000

Disclosure of contracts with Council members:

There were no contracts with Council members.

Employer Portion:

Employment Insurance:	\$ 97,280
Canada Pension Plan:	257,613
	<u>\$ 354,893</u>

Reconciliation:

Total Remuneration - Elected Officials	\$ 137,988
Total Remuneration - Employees	7,002,555
Subtotal	<u>7,140,543</u>
Total per Consolidated FS Note 11	<u>7,537,429</u>
Variance*	<u>\$ (396,886)</u>

*Note 11 to the Consolidated Financial Statements provides a listing of expenses by object. The amount of \$7,537,429 includes salaries, wages, employer benefit costs (i.e. dental, health, pension, MSP), payroll taxes (CPP, EI, WCB) and other employer paid payroll costs (i.e. severances, employee benefit obligation, allowances), whereas the amount of \$7,140,543 shown above for the Schedule of Remuneration and Expenses represents only salaries, wages and taxable benefits (life insurance, AD&D and MSP). Furthermore, the Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles for local governments, and as such are prepared on an accrual basis and exclude wages paid on capitalized items. The Schedule of Remuneration and Expenses does not incorporate accrual accounting and represents amounts actually paid during 2020.

Severance Agreements:

There was no severance agreements between the Town of Sidney and its non-unionized employees during fiscal year 2020.

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2020

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000:	Aggregate amount paid to supplier
Supplier Name	
Receiver General for Canada-Police Agreement	\$ 1,750,737
Capital Regional District - Grant/Requisition	1,429,827
Capital Regional District - Water Consumption	1,256,593
QM Environmental	782,712
EMTERRA Environmental	639,545
Top Line Roofing Ltd.	627,987
Vancouver Island Regional Library	622,848
BC Hydro	501,525
W.A. Jones & Sons Trucking Ltd.	430,979
Emco Corporation	308,901
Capital City Paving Ltd.	292,716
Kerr Wood Leidal Associates Ltd	255,051
Milestone Equipment Contracing Inc	179,496
Minister of Finance-Agriculture & Lands	118,857
Parkland Corporation	114,009
Five Star Paving Co. Ltd.	109,670
3388646 Canada Inc	108,873
Kinetic Construction Ltd	103,101
PrairieCoast Equipment Inc	101,021
Receiver General for Canada-Anacortes Ferry	100,222
Municipal Insurance Association of British Columbia	99,439
Pacific Industrial & Marine Ltd	97,290
Goldstream Rock Products Ltd	91,929
Mary Winspear Community Centre	86,500
Western Traffic Ltd	85,061
WSP Canada Inc.	78,925
Island Asphalt Company	76,051
CentralSquare Canada Software Inc	75,202
Park N Play Design Co. Ltd.	74,993
Beacon Community Services	70,357
ICBC	68,090
Aon Reed Stenhouse Inc.	65,795
Telus Communications Inc.	65,052
Young, Anderson Barristers & Solicitors	64,788
Sidney Museum and Archives Society	64,155
Telus Communications Inc.	60,887
City of Surrey	60,007
Butler Concrete & Aggregate Ltd	59,557
Capital Regional District-Animal Control	56,400
Sidney Museum & Archives Society	55,173
MODUS	52,846
Robbins Parking Service Ltd	51,983
Strata Corporation # VIS 5564	50,234

CDW Canada Corp	50,135
Sidney Volunteer Firefighter's Association	48,783
Cansel Survey Equipment Inc	45,860
Microsoft Canada	43,238
Sweeping Success Janitorial	42,122
Lehigh Materials	40,909
Esri Canada	38,528
Suburban Motors	38,488
Westcoast Roof Inspection Services Ltd	37,510
Capital Region Emergency Services Telecommunication Inc.	36,918
FortisBC-Natural Gas	35,896
Justice Institute of BC	34,450
Scho's Line Painting Ltd.	33,752
Accutemp Refrigeration Air Conditioning & Heating Ltd	33,449
Super Save Disposal Inc	33,408
Strata Corporation #4994	33,127
Tempest Development Group	32,548
Thurber Engineering Ltd.	30,133
MacNutt Enterprises Ltd.	29,172
Softchoice Corporation	28,998
Black Press Group Ltd.	28,910
Pacific Flow Control Ltd.	27,964
Corporation of the District of Saanich	27,932
Site One Landscape Supply, LLC	27,850
Watt Consulting Group	25,773
Rollins Machinery Limited	25,303
Receiver General for Canada-Prisoner Expenses	25,181

\$ 12,381,717

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

\$ 1,702,217

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

\$ 721,790

4. Reconciliation

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$ 12,381,717
Consolidated total of payments of \$25,000 or less paid to suppliers	1,702,217
Consolidated total of all grants and contributions exceeding \$25,000	721,790
	<u>14,805,724</u>
Total per Consolidated Statement of Operations	12,143,368
Add: Expenditures for capital purposes *	<u>2,891,994</u>
Variance **	\$ (229,638)

* Pursuant to public sector accounting standards for local governments, capital expenditures are not considered expenses. However, as this report is prepared on a cash basis, and cash outlays occurred in 2020 for capital purchases, the amount of these purchases is included in this reconciliation.

** The Consolidated Financial Statements are prepared in accordance with public sector accounting standards for local governments, and as such are prepared on an accrual basis. The Schedule of Payments Made for the Provision of Goods or Services does not incorporate accrual accounting and represents amounts actually paid during 2020. The amounts shown on the Schedule of Payments Made for the Provision of Goods or Services include the GST paid to suppliers, where applicable, whereas the Financial Statements do not.

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