

Statement of Financial Information

Year ended December 31, 2016



TOWN OF SIDNEY

BRITISH COLUMBIA

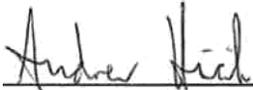
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STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016

STATEMENT OF APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information for the year ended December 31, 2016, produced under the *Financial Information Act*.



Andrew Hicik
Financial Administrator

June 28, 2017



Mayor Steve Price
On behalf of Council

June 28, 2017

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016

MANAGEMENT REPORT

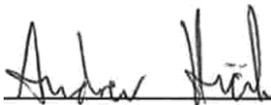
The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in compliance with legislation, and in accordance with public sector accounting standards for local governments established by the Public Sector Accounting 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 to the Audit and Finance Committee on an annual basis.

On behalf of the Town of Sidney,



Andrew Hicik
Director of Corporate Services

June 28, 2017

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016

FINANCIAL STATEMENTS



TOWN OF SIDNEY

BRITISH COLUMBIA

Year ended December 31, 2016



TOWN OF SIDNEY

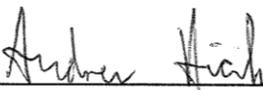
FINANCIAL REPORTING RESPONSIBILITY

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 describe ed 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



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, 2016, 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, 2016, 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 2, 2017
Victoria, Canada

TOWN OF SIDNEY

Statement of Financial Position December 31, 2016, with comparative figures for 2015

	2016	2015
Financial assets:		
Cash	\$ 2,878,558	\$ 4,009,671
Investments	13,101,665	10,542,038
Property taxes receivable	512,210	491,790
Accounts receivable	1,600,145	1,449,475
Restricted cash	48,281	46,968
	<u>18,140,859</u>	<u>16,539,942</u>
Liabilities:		
Accounts payable and accrued liabilities	1,600,729	1,449,801
Deferred revenue and deposits (note 2)	2,658,652	2,247,426
Employee future benefit obligations (note 3)	644,600	624,100
Lease obligations (note 4)	-	20,917
Long-term debt (note 5)	2,988,009	3,148,384
	<u>7,891,990</u>	<u>7,490,628</u>
Net financial assets	10,248,869	9,049,314
Non-financial assets:		
Tangible capital assets (note 6)	80,213,943	79,608,895
Inventory of supplies	152,071	122,766
Prepaid expenses	148,659	83,163
	<u>80,514,673</u>	<u>80,814,824</u>
Accumulated surplus (note 7)	<u>\$ 90,763,542</u>	<u>\$ 88,864,138</u>

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, 2016, with comparative figures for 2015

	<i>Budget</i> 2016	Actual 2016	Actual 2015
	<i>(note 11)</i>		
Revenue:			
Net taxes available for municipal purposes (note 8)	\$ 12,531,642	\$ 12,493,456	\$ 12,274,566
Fees, rates and service charges	5,383,610	6,077,070	5,765,649
Government transfers (note 9)	2,032,535	1,447,553	1,367,563
Investment earnings	185,000	224,094	207,978
Gifts and contributions	18,000	314,972	479,969
Penalties and interest	96,100	94,691	102,915
Actuarial adjustment on debt	-	11,520	25,497
Other	14,800	327,684	212,319
Total revenue	20,261,687	20,991,040	20,436,456
Expenses:			
General government	2,422,735	2,397,475	2,195,906
Protective services	4,638,272	4,386,178	4,170,584
Transportation	3,636,351	3,642,772	3,575,292
Environmental health services	695,165	716,194	692,105
Environmental development	590,780	503,502	375,017
Leisure, parks and cultural	2,845,334	2,846,955	2,767,498
Water utility	1,903,901	2,033,944	2,048,836
Sewer utility	2,001,237	1,995,254	1,938,618
Other (note 10)	679,774	569,362	629,125
Total expenses	19,413,549	19,091,636	18,392,981
Annual surplus	848,138	1,899,404	2,043,475
Accumulated surplus, beginning of year	88,864,138	88,864,138	86,820,663
Accumulated surplus, end of year	\$ 89,712,276	\$ 90,763,542	\$ 88,864,138

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

TOWN OF SIDNEY

Statement of Changes in Net Financial Assets Year ended December 31, 2016, with comparative figures for 2015

	Budget 2016	Actual 2016	Actual 2015
	<i>(note 11)</i>		
Annual surplus	\$ 848,138	\$ 1,899,404	\$ 2,043,475
Acquisition of tangible capital assets	(7,357,225)	(3,074,162)	(3,473,284)
Amortization of tangible capital assets	2,450,000	2,468,382	2,390,729
Loss (gain) on disposal of tangible capital assets		(281,590)	23,437
Proceeds on disposal of tangible capital assets		282,322	17,843
	<u>(4,059,087)</u>	1,294,356	1,002,200
Acquisition of inventory of supplies	-	(152,071)	(122,766)
Acquisition of prepaid expense	-	(148,659)	(83,163)
Consumption of inventory of supplies	-	122,766	104,271
Use of prepaid expenses	-	83,163	114,066
Change in net financial assets	(4,059,087)	1,199,555	1,014,608
Net financial assets, beginning of year	9,049,314	9,049,314	8,034,706
Net financial assets, end of year	\$ 4,990,227	\$ 10,248,869	\$ 9,049,314

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

TOWN OF SIDNEY

Statement of Cash Flows

Year ended December 31, 2016, with comparative figures for 2015

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,899,404	\$ 2,043,475
Items not involving cash:		
Amortization	2,468,382	2,390,729
Developer contribution of tangible capital assets	(263,361)	(273,334)
Change in employee benefits and other liabilities	20,500	(58,300)
Loss (gain) on disposal of tangible capital assets	(281,590)	23,437
Loss (gain) on leases	708	25
Actuarial adjustment on debt	(11,520)	(25,497)
Change in non-cash assets and liabilities:		
Property taxes receivable	(20,420)	7,381
Accounts receivable	(150,670)	155,660
Accounts payable and accrued liabilities	150,928	41,244
Deferred revenue	411,226	590,889
Inventory of supplies	(29,305)	(18,495)
Prepaid expenses	(65,496)	30,903
Net change in cash from operating activities	4,128,786	4,908,117
Capital activities:		
Proceeds on disposal of tangible capital assets	282,322	17,843
Cash used to acquire tangible capital assets	(2,810,801)	(3,199,950)
Net change in cash from capital activities	(2,528,479)	(3,182,107)
Investment activities:		
Investments	(2,559,627)	(1,004,948)
Net change in cash from investing activities	(2,559,627)	(1,004,948)
Financing activities		
Municipal Finance Authority debt reserve adjustment	(1,313)	(1,173)
Debt issued and assumed	-	25,300
Long-term debt repaid	(157,486)	(157,486)
Lease obligations and loan agreements repaid	(12,994)	(17,150)
Net change in cash from financing activities	(171,793)	(150,509)
Net change in cash and cash equivalents	(1,131,113)	570,553
Cash and cash equivalents, beginning of year	4,009,671	3,439,118
Cash and cash equivalents, end of year	\$ 2,878,558	\$ 4,009,671
Cash paid for interest	\$ 155,415	\$ 155,941
Cash received from interest	318,785	310,893

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

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

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, 2016

1. Significant accounting policies (continued):

(f) Investment income:

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

(g) Employee future benefits:

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

Sick leave benefits and other retirement 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.

(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

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

1. Significant accounting policies (continued):

(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.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

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, 2015	Recognized as revenue	Interest earned	Current year deferred	Balance at Dec 31, 2016
Prepaid property taxes	\$ 1,242,846	\$ (1,242,846)	\$ -	\$1,344,921	\$ 1,344,921
Prepaid fees and charges	181,931	(163,964)	-	248,599	266,566
Deferred developer contributions & deposits	502,377	(478,313)	2,300	439,855	466,219
Deposits on hold	320,272	(320,022)	-	580,696	580,946
	\$ 2,247,426	\$ (2,205,145)	\$ 2,300	\$ 2,614,071	\$ 2,658,652

3. Employee future benefit obligations:

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:

	2016	2015
Accrued employee benefit obligations:		
Balance, beginning of year	\$ 785,300	\$ 758,600
Current service cost	89,100	86,900
Interest cost	26,100	24,900
Benefits paid	(115,700)	(182,300)
Actuarial adjustment	(9,100)	97,200
Balance, end of year	775,700	785,300
Unamortized net actuarial loss	(131,100)	(161,200)
Accrued employee benefit obligations	\$ 644,600	\$ 624,100

Any actuarial gain or loss is amortized over a period equal to the employees' average remaining service lifetime, estimated to be 10 years (2015 – 11 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 most recent actuarial valuation of the Town's employee future benefits was completed as at December 31, 2016.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

3. Employee future benefit obligations (continued):

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

	2016	2015
Discount rates	3.30%	3.10%
Expected wage and salary increases	2.50%	2.50%

The Town funds the employee future benefits with the 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 \$136,200 (2015 – 124,000).

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, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

The most recent valuation, as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits. 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 \$567,728 for employer contributions (2015 - \$574,537) and Town employees paid \$481,370 for employee contributions (2015 - \$492,060) to the plan in fiscal 2016.

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. At December 31, 2015, the total plan provision for approved and unreported claims was \$19,101,700 with a net deficit of \$1,519,599. The actuary does not attribute portions of the unfunded liability to individual employers. The Town paid \$80,703 for employer contributions (2015 - \$79,959) and Town employees paid \$80,885 for employee contributions (2015 - \$80,369) to the plan in 2016.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

4. Lease obligations:

Prior to 2016, the Town entered into capital lease agreements with the Municipal Finance Authority (MFA), for various office equipment and for terms ranging to five years. The MFA began winding down its leasing program in mid-2014 and developed a new program for the financing of equipment. To take advantage of lower interest rates and the ability to gain immediate ownership of the leased assets, the Town transferred its remaining 2 capital leases to the equipment financing program in 2016; accordingly, the Town maintains no year ending lease obligations.

	2016	2015
2016	\$ -	\$ 8,145
2017	-	6,915
2018	-	5,696
2019	-	1,335
2020	-	-
Total minimum lease payments	-	22,091
Less: amount representing interest (at prime less 1%)	-	(1,174)
Present value of net minimum capital lease payments	\$ -	\$ 20,917

Interest expense incurred during 2016 on lease obligations before transfer to the new equipment financing program amounted to \$386 (2015 - \$549).

5. 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 to 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 2016	Net debt 2015
Short-Term and Other debt	\$ 75,299	\$ -	\$ 75,299	\$ 109,668
Long-term Debt	3,850,000	937,290	2,912,710	3,038,716
	\$ 3,925,299	\$ 937,290	\$ 2,988,009	\$ 3,148,384

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

5. Long-term 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, 2016 there were contingent demand notes of \$95,705 (2015 – \$95,705) and cash deposits of \$48,281 (2015 - \$46,968). 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.

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

2017	\$	169,183
2018		125,111
2019		120,914
2020		118,032
2021		114,486

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 \$154,662 (2015 - \$155,394).
- (e) Existing long-term debt matures in annual amounts to the year 2037, and interest rates range from 2.4% to 4.65%. The weighted average interest rate for 2016 was 3.81% (2015 – 3.82%).
- (f) During 2016 the Town adopted the Community Safety Building Loan Authorization Bylaw No. 2111 which was approved by the Inspector of Municipalities and authorizes the Town to borrow \$10,000,000 through the MFA for construction of a new Community Safety Building. At December 31, 2016, the Town has not drawn upon these funds.
- (g) Included in other debt are Equipment Financing Loan Agreements with the Municipal Finance Authority totaling \$32,299 (2015 – 23,668) 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 1.39% per annum. Interest paid during the year was \$367 (2015 - \$127) 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.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

6. Tangible capital assets:

Cost	Balance at Dec 31, 2015	Additions / Transfers	Disposals	Balance at Dec 31, 2016
Land	\$ 15,143,104	\$ -	\$ (1,804)	\$ 15,141,300
Land improvements	12,867,170	17,637	-	12,884,807
Building and building improvements	14,966,333	8,073	-	14,974,406
Vehicles, machinery and equipment	9,803,252	1,078,077	(167,961)	10,713,368
Water and wastewater infrastructure	37,631,888	1,269,266	-	38,901,154
Roads infrastructure	27,496,981	572,180	(14,475)	28,054,686
Assets under construction	711,474	128,929	(1,499)	838,904
Total	\$ 118,620,202	\$ 3,074,162	\$ (185,739)	\$ 121,508,626

Accumulated Amortization	Balance at Dec 31, 2015	Amortization Expense	Disposals	Balance at Dec 31, 2016
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	4,191,821	367,688	-	4,559,509
Building and building improvements	6,470,312	402,333	(13,581)	6,859,064
Vehicles, machinery and equipment	4,815,636	646,977	(155,228)	5,307,385
Water and wastewater infrastructure	14,263,963	545,630	(1,723)	14,807,870
Roads infrastructure	9,269,575	505,754	(14,475)	9,760,854
Assets under construction	-	-	-	-
Total	\$ 39,011,307	\$ 2,468,382	\$ (185,007)	\$ 41,294,682

Net Book Value	Balance at Dec 31, 2015	Balance at Dec 31, 2016
Land	\$ 15,143,104	\$ 15,141,300
Land improvements	8,675,349	8,325,298
Building and building improvements	8,496,021	8,115,342
Vehicles, machinery and equipment	4,987,616	5,405,983
Water and wastewater infrastructure	23,367,925	24,093,284
Roads infrastructure	18,227,406	18,293,832
Assets under construction	711,474	838,904
Total	\$ 79,608,895	\$ 80,213,943

(a) Assets under construction

Assets under construction having a value of \$838,904 (2015 - \$711,474) have not been amortized. Amortization of these assets will commence when the assets are available for service.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

6. Tangible capital assets (continued):

(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 \$263,361 (2015 - \$273,334).

(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.

7. Accumulated surplus:

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

	2016	2015
Surplus:		
Invested in tangible capital assets	\$ 77,308,674	\$ 76,521,602
Surplus from operations	4,878,421	4,785,701
Total surplus	82,187,095	81,307,303
Reserves set aside by Council:		
Miscellaneous operating purposes	497,510	504,780
Miscellaneous capital purposes	867,049	612,122
Total reserves	1,364,559	1,116,902
Reserves funds set aside for specific purposes by Council:		
Land sale proceeds	281,752	16,452
Parkland acquisition	127,494	125,494
Off-street parking	86,686	80,586
Computer replacement	451,907	436,427
General equipment replacement	886,236	715,225
Fire equipment replacement	134,672	478,205
Water capital	351,975	346,475
Sewer capital	23,416	23,016
Infrastructure replacement	1,818,925	1,566,553
Water rates stabilization	247,955	244,055
Amenities	41,733	20,076
Ferry terminal	626,475	467,725
Contingency	77,033	69,933
Agreements	165,857	143,428
Gas Tax - Community Works Fund	1,841,491	1,659,315
Total reserve funds	7,163,607	6,392,965
Restricted cash	48,281	46,968
	\$ 90,763,542	\$ 88,864,138

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

7. 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 eligible expenditures under the Agreement.

	2016	2015
Federal gas tax agreement funds		
Gas tax agreement funds, beginning of year	\$ 1,659,315	\$ 1,185,044
Amounts received during the year	524,040	506,971
Interest earned restricted for projects	26,400	19,300
Expenditures	(368,264)	(52,000)
Gas tax agreements funds, end of year	\$ 1,841,491	\$ 1,659,315

8. Net taxes available for municipal purposes:

	2016	2015
Taxes:		
Property taxes	\$ 22,682,526	\$ 22,369,590
Revenue in lieu of taxes	237,207	217,674
Other	851,163	1,108,836
	23,770,896	23,696,100
Less taxes on behalf of:		
Provincial Government School Authorities	6,385,190	6,581,187
Capital Regional District	2,267,047	2,206,380
Capital Regional Hospital District	1,026,703	1,022,555
BC Transit	1,129,590	1,136,257
BC Assessment Authority	202,309	211,814
Municipal Finance Authority	710	685
Business Improvement Area	265,891	262,656
	11,277,440	11,421,534
Net taxes available for municipal purposes	\$ 12,493,456	\$ 12,274,566

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

9. 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:

	2016	2015
Federal grants:		
Gas Tax - Community Works Funding	\$ 524,040	\$ 506,971
	524,040	506,971
Provincial grants:		
Federal / provincial capital grant programs	-	15,518
Small community protection grant	338,942	349,363
Traffic fine revenue sharing	115,480	130,384
Other provincial grants	898	120
	455,320	495,385
Regional and other local government transfers:		
Policing	294,880	279,653
Recreation	49,669	64,441
Other	123,644	21,113
	468,193	365,207
Total government transfer revenue	\$ 1,447,553	\$ 1,367,563

10. Other expenses:

	2016	2015
Grants to non-government organizations:		
Sidney and North Saanich Memorial Park Society	\$ 263,836	\$ 255,527
Saanich Peninsula Chamber of Commerce	60,150	60,000
New Marine Centre Society	65,000	65,000
Sidney Business Improvement Area Society	33,825	24,000
Peninsula Celebrations Society	12,000	12,000
Other	44,599	32,303
	479,410	448,830
Interest on prepaid taxes	2,820	3,908
Amortization and net loss on miscellaneous assets	15,785	69,997
Other	71,347	106,390
	\$ 569,362	\$ 629,125

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

11. Budget data:

The budget data presented in these financial statements is based upon the 2016-2020 Financial Plan adopted by Council on May 9, 2016. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenues:	
Financial Plan	\$ 19,852,048
Add:	
Vancouver Island Regional Library Levy	675,530
Less:	
Sidney Business Improvement Area Levy	(265,891)
Total revenue	20,261,687
Expenses:	
Financial Plan	19,003,910
Add:	
Vancouver Island Regional Library Levy	675,530
Less:	
Sidney Business Improvement Area Levy	(265,891)
Total Expenses	19,413,549
Annual surplus	\$ 848,138

12. 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:

(i) 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.

(ii) 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.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

12. Segmented information (continued):

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.

(iii) Transportation Services:

The Transportation Services function is responsible for a wide variety of transportation 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.

(iv) 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.

(v) 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.

(vi) 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, 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 Vancouver Island Regional Library 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.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

12. Segmented information (continued):

(vii) 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 purpose of domestic consumption, irrigation and firefighting. The Town operates a water distribution system only, using treated water purchased in bulk from the Regional District.

(viii) Other:

Other includes all revenues and expenses not captured in the other 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, 2016

12. 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

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

12. Segmented information (continued):

	General Government	Protective Services	Transportation	Environmental Health Services	Environmental Development	Leisure, Parks and Cultural	Water Utility	Sewer Utility	Other	2015
Revenue:										
Taxes for municipal purposes	\$ 1,669,495	\$ 3,412,764	\$ 1,695,252	\$ 142,471	\$ 332,059	\$ 2,058,427	\$ 356,141	\$ 501,000	\$ 2,106,957	\$ 12,274,566
Fees, rates and service charges	383,987	493,148	694,444	569,566	42,958	186,192	1,689,236	1,702,701	3,417	5,765,649
Government transfers	-	303,700	12,707	-	-	64,441	-	-	986,715	1,367,563
Investment earnings	-	-	-	-	-	-	-	-	207,978	207,978
Gifts and contributions	-	1,760	149,984	-	-	5,000	33,000	90,350	199,875	479,969
Penalties and interest	-	-	-	2,175	-	-	5,354	6,169	89,217	102,915
Actuarial adjustment on debt	-	-	-	-	-	-	-	-	25,497	25,497
Other	-	-	-	-	-	-	-	-	212,319	212,319
Total revenue	2,053,482	4,211,372	2,552,387	714,212	375,017	2,314,060	2,083,731	2,300,220	3,831,975	20,436,456
Expenses:										
Salaries, wages and benefits	1,404,646	1,650,965	1,661,080	104,408	342,463	916,421	411,682	265,526	15,186	6,772,377
Contracted services	557,569	2,147,357	350,159	546,881	26,469	1,073,764	36,857	1,370,205	355,102	6,464,363
Supplies and equipment	51,755	125,149	353,197	40,816	6,085	224,290	1,373,169	141,604	55	2,316,120
Debt interest	407	14	36,222	-	-	119,299	-	-	-	155,942
Other	4,590	9,256	7,750	-	-	-	31,803	-	240,051	293,450
Amortization	176,939	237,843	1,166,884	-	-	433,724	195,325	161,283	18,731	2,390,729
Total expenses	2,195,906	4,170,584	3,575,292	692,105	375,017	2,767,498	2,048,836	1,938,618	629,125	18,392,981
Annual surplus	\$ (142,424)	\$ 40,788	\$ (1,022,905)	\$ 22,107	\$ -	\$ (453,438)	\$ 34,895	\$ 361,602	\$ 3,202,850	\$ 2,043,475

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

13. Commitments and contingent liabilities:

- (a) Under Section 836 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. The Town has in place a temporary borrowing bylaw to cover any potential payout should the agreement be terminated; however, there is no intention at this time to contemplate termination of the agreement.

- (e) The Town has entered into a Memorandum of Understanding (MOU) with the Memorial Park Society (MPS) for the use of part of their lands for two specific purposes: an easement access to the Town's future Community Safety Building just south of MPS lands; and the future construction of a parking lot. The MOU commits the Town to two separate payment streams, neither of which is considered a liability at Dec 31, 2016. Under the terms of the MOU, which is to be replaced with a formal agreement in 2017, the Town will make payments to MPS as follows:

For the easement access: a total of \$400,000, payable over a five-year term. The payment shall be \$80,000 per calendar year, pro-rated in the first and last year to reflect the actual start date of the agreement.

For the lands to be used as a public parking lot: 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. This amount is estimated at \$55,000 for 2017 (to be pro-rated based on starting date of agreement); future year payments are estimated to increase by 2.5% annually.

TOWN OF SIDNEY

Notes to Financial Statements
Year ended December 31, 2016

13. Commitments and contingent liabilities (continued):

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. An annual limit of \$25,000 has been set for ground maintenance, with an annual inflation factor being applied starting in the sixth year.

14. Comparative information:

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

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF DEBTS

DEBT TYPE	DESCRIPTION	ORIGINAL LOAN PROCEEDS	PRINCIPAL BALANCE DEC 31/15	NEW DEBT 2016	PRINCIPAL PAID 2016	INTEREST PAID 2016	ACTUARIAL EARNINGS 2016	PRINCIPAL BALANCE DEC 31/16	INTEREST RATE	MATURITY YEAR
Long Term	Tulista Park	\$ 770,000	\$ 356,220	\$ -	\$ 38,455	\$ 34,111	\$ 13,150	\$ 304,617	4.65%	2022
Long Term	Tulista Park	80,000	42,384	-	3,995	3,616	1,893	36,495	4.52%	2022
Long Term	Lochside/Iroquois	1,448,000	1,244,682	-	34,769	65,160	(715)	1,210,628	4.50%	2035
Long Term	Iroquois/Public Works Yard	1,073,000	955,947	-	25,765	34,873	(2,043)	932,226	3.25%	2036
Long Term	Public Works Yard	479,000	439,482	-	11,502	16,286	(765)	428,745	3.40%	2037
Short Term	Lochside Underground Wiring	215,000	86,000	-	43,000	617	-	43,000	Variable	2017
Financing	Office Equipment	25,300	23,668	15,768	7,137	367	-	32,299	Variable	2020
Total Debt		\$ 4,090,300	\$ 3,148,384	\$ 15,768	\$ 164,623	\$ 155,029	\$ 11,520	\$ 2,988,009		

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

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF IDEMNITY AND GUARANTEES

Guarantee and indemnity agreements requiring government approval prior to be given under the Guarantees and Indemnities Regulation

NIL

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016
SCHEDULE OF REMUNERATION AND EXPENSES

ELECTED OFFICIALS		REMUNERATION			
NAME	POSITION	GROSS	BENEFITS	TOTAL	EXPENSES
Price, Steven	Mayor	\$ 33,801	\$ 159	\$ 33,960	\$ 5,258
Fallot, Barbara	Councillor	13,502	1,905	15,407	1,008
Wainwright, Peter	Councillor	13,502	1,905	15,407	19
McLennan, Cameron	Councillor	13,502	4,253	17,755	1,777
Bremner-Mitchell, Erin	Councillor	13,502	2,813	16,315	641
Chad, Tim	Councillor	13,502	-	13,502	-
Lougher-Goodey, Mervyn	Councillor	13,502	-	13,502	1,518
Total Elected Officials		\$ 114,811	\$ 11,036	\$ 125,847	\$ 10,221

EMPLOYEES

NAME	POSITION	REMUNERATION	EXPENSES
Humble, Randy	Chief Administrative Officer	\$ 173,176	\$ 3,677
Hicik, Andrew	Director of Corporate Services	136,297	1,300
Mikkelsen, Brett	Fire Chief	132,787	11,088
Tanton, Tim	Director of Development Services, Engineering, Parks & Works	131,279	3,076
Robinson, Brian	Manager Public Works & Parks	115,266	3,812
Verhagen, Alison	Manager of Planning	112,559	844
VanDerLinden, Mike	Manager Engineering & Environmental Services	109,323	333
Restell, Troy	Manager of Finance	109,146	4,763
Nelson, Sandi	Deputy Clerk	105,740	2,586
Maxwell, Will	Manager of Information Services	103,921	-
Sumberac, Adriano	Foreman, Surface Infrastructure	100,276	140
Thomas, Bradley	Foreman, Underground Utilities	96,584	593
Marshall, James	Foreman, Parks	91,038	2,028
Egrisits, Leah	RCMP Office Manager	88,322	2,941
Harman, Mike	Deputy Fire Chief	85,794	1,169
Hildebrand, Vaughn	Senior Building Official	84,479	2,417
Demaere, Bruce	Senior Engineering Technician	83,359	-
Green, Ron	Electrician	81,000	156
Tweedhope, Dale	Crew Chief	77,538	-
Salvador, Jay	Fleet Mechanic	75,370	-
		\$ 2,093,252	\$ 40,922
Consolidated total of other employees with remuneration of \$75,000 or less:		3,823,912	n/a
Total Employees		\$ 5,917,164	\$ 40,922

Council Insurance Policies:

2016 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 relevant to the requirements of the Community Charter.

Employer Portion:

Employment Insurance:	\$ 107,126
Canada Pension Plan:	<u>215,996</u>
	<u>\$ 323,122</u>

Reconciliation:

Total Remuneration - Elected Officials	\$ 125,847
Total Remuneration - Other Employees	<u>5,917,164</u>
Subtotal	6,043,011
Total per Consolidated FS Note 12	<u>6,991,094</u>
Variance*	<u>\$ (948,083)</u>

*Note 12 to the Consolidated Financial Statements provides a listing of expenses by object. The amount of \$6,991,094 includes salaries, wages, employer benefit costs (i.e. dental, health, pension, MSP), payroll taxes (CPP, EI, CPP) and other employer paid payroll costs (i.e. severances, employee benefit obligation, allowances), whereas the amount of \$6,043,011 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 2016.

Severance Agreements:

There was no severance agreements between the Town of Sidney and its non-unionized employees during fiscal year 2016.

STATEMENT OF FINANCIAL INFORMATION
YEAR ENDED DECEMBER 31, 2016

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	
1051735 BC Ltd.	\$ 25,285
Aon Reed Stenhouse Inc.	47,990
Barefoot Planning Ltd	47,226
BC Hydro	293,046
Beacon Community Services	65,884
Black Press Group Ltd.	38,401
Bradley Shuya Architect Inc.	106,243
Butler Brothers Supplies Ltd.	71,119
Capital City Paving Ltd.	31,768
Capital Region Emergency Services Telecommunication Inc.	30,096
Capital Regional District - Animal Control	47,800
Capital Regional District - Treatment Plan Operations	1,352,192
Capital Regional District - Water Consumption	1,071,814
Chevron Canada Limited	111,650
Commissionaires, The	40,770
Corix Water Products LP	92,324
Corporation of the District of Saanich	70,706
D'Ambrosio Architecture & Urbanism	51,273
Dan-Mark Traffic Marking	53,666
Diamond Software Inc.	42,769
Emco Corporation	288,605
EMTERRA Environmental	567,079
Esri Canada	29,232
Fastrac Printing Ltd	48,556
Hub Fire Engines & Equipment Ltd.	390,579
ICBC	55,085
Island Asphalt Company	270,609
Lordco Auto Parts	29,367
Microserve	40,940
Microsoft Licensing, GP	36,904
Minister of Finance - Agriculture & Lands	87,648
Municipal Insurance Association of British Columbia	91,729
Peninsula Rock Products Ltd.	137,845
Peterson, Evan	36,490
Receiver General for Canada - Police Agreement	1,496,575
Receiver General for Canada - Prisoner Expenses	66,607
Rodd Excavating & Trucking	216,036
Saanich Peninsula Chamber of Commerce	61,143
Sidney Volunteer Firemen's Association	45,280

Society of Saanich Peninsula Museums	77,000
Strata Corporation #4994	27,978
Suburban Motors	82,859
Sutton-Advantage Property Management	168,728
Sweeping Success Janitorial	37,338
Telus Services Inc.	86,086
Tempest Development Group	82,995
TLD Computers Inc	26,702
Vancouver Island Regional Library	677,720
W.A. Jones & Sons Trucking Ltd.	226,995
Western Traffic Ltd	153,762
WorkTech Inc.	34,184
Young, Anderson Barristers & Solicitors	50,668
	\$ 9,421,347
2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less	\$ 1,606,396
3. Consolidated total of all grants and contributions exceeding \$25,000	\$ 422,811
4. Reconciliation	
Total of aggregate payments exceeding \$25,000 paid to suppliers	\$ 9,421,347
Consolidated total of payments of \$25,000 or less paid to suppliers	1,606,396
Consolidated total of all grants and contributions exceeding \$25,000	422,811
	11,450,554
Total per Consolidated Statement of Operations	9,310,556
Add: Expenditures for capital purposes *	2,572,587
Variance **	\$ (432,589)

* 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 2016 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 2016. 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