



CANOE BEACH
SALMON ARM

2020 Annual Report

City of Salmon Arm, British Columbia
For the fiscal period ending December 31, 2020



2020 Annual Report

For the fiscal period ending December 31, 2020

The City of Salmon Arm 2020 Annual Report has been prepared by the Corporate Services and Financial Services Departments pursuant to Section 98 of the Community Charter.

CITY OF
SALMON ARM

- 📍 City of Salmon Arm, British Columbia
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Incorporated
May 4, 1905

City Area
18,541 hectares

Average City Elevation
358 metres

Population
19,296

Gravel and Earth Roads
31 km

Surfaced Roads
214 km

Kilometers of Utilities
Watermains – 204
Sanitary & Storm - 256

Utility Connections
Water – 6,104
Sanitary – 5,185

Water Hydrants
838

Value of Building Permits
\$54,065,527 (2020)

Business Licenses Issued
1,337 (2020)

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City Award 2019

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the City of Salmon Arm for its annual financial report for the fiscal year ended December 31, 2019. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

"The Canadian Award for Financial Reporting recognizes

excellence in governmental accounting and financial reporting and represents a significant accomplishment by a municipal government and its management" quotes GFOA. It recognizes and encourages excellence in reporting and producing high quality financial reports.

The City of Salmon Arm's 2019 Annual Report has been judged by impartial Canadian Review Committee members to meet the high standards of the program, including demonstrating a constructive "spirit of full disclosure".

The Canadian Award for Financial Reporting Achievement has been presented to the Acting Chief Financial Officer, Tracy Tulak, CPA, CMA. Tulak advises that "it takes a team to create the City's Annual Report and their commitment and dedication to meet the stringent financial requirements of the Canadian Award for Financial Reporting". Thanks to the many City staff who contributed to this year's Annual Report. This is the thirteenth year in a row that the City has received this national award.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we will be submitting it to GFOA to determine its eligibility for another award.

The City of Salmon Arm's 2019 Annual Report can be viewed on the City's website at www.salmonarm.ca or a copy may be picked up at City Hall.



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**City of Salmon Arm
British Columbia**

For its Annual
Financial Report
for the Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

Message from the Mayor



2020 was a tumultuous year in our World. In Salmon Arm we have all felt the effects of the Covid pandemic. We know it has not been easy.

Your Council has acted thoughtfully and nimbly to meet two goals:

1. The sustained operation of essential services such as water and sewer.
2. The mitigation of the impact the virus has on the health of our residents.

The closure of public facilities, the laying off of employees, the move to cohort work shifts, the reworking of the budget, and the extension of payment deadlines are some of the difficult decisions Council has had to make.

We know that you have done your part by following the Provincial Health Officer's Orders. The sacrifices each of you has made, forgoing family gatherings, cancelling vacations, virtually meeting with friends and relatives, and adopting habits to limit the spread of the virus, continue to make a difference.

Despite the challenges we have faced, Salmon Arm continues to move forward. We processed over \$55 million in building permit values. One of our busiest years in the Development and Planning Department.

In addition, we made strides forward on large projects. The Highway West project is well under way, employing many local contractors. The Ross Street Under Pass was a major focus, and we are presently tendering the project. A third main focus is the planned expansion of our Wastewater Treatment Plant.

What has been confirmed for many of us, is that we live in a great place. Our location, climate, recreational opportunities and especially the people who live here, make Salmon Arm special.

A handwritten signature in black ink, appearing to be 'Alan Harrison'.

Alan Harrison
Mayor,
City of Salmon Arm



Mayor and Council



The Mayor and Council for the City of Salmon Arm were each elected for a four-year term in October 2018. The next municipal election will take place in 2022. Each member of Council represents the City at large and is appointed to both City and regional committees.

Council meetings are held on the second and fourth Mondays of each month at City Hall beginning at 2:30 p.m. and reconvening at 7:00 p.m. for the hearing portion of the meeting. Meeting agendas are available from City Hall and the City's website.

Mayor Alan Harrison
Alan was elected to Council from 1991 – 1996 and then again in 2006 – 2018. He was then elected as Mayor in 2018.



Councillor Debbie Cannon
Debbie was elected to Council from 2006-2014 and then again in 2018.



Councillor Chad Eliason
Chad was elected to Council in 2006.



Councillor Kevin Flynn
Kevin was elected to Council from 2003-2010 and then again in 2014.



Councillor Tim Lavery
Tim was elected to Council in 2014.



Councillor Sylvia Lindgren
Sylvia was elected to Council in 2018.



Councillor Louise
Wallace Richmond
Louise was elected to Council in 2014.



Committee Appointments



| Committee / Agency | Council Member Appointed |
|---|--|
| Active Transportation Task Force | Councillor Tim Lavery / Mayor Alan Harrison |
| Agricultural Advisory Committee | Councillor Tim Lavery |
| Community Heritage Commission | Councillor Debbie Cannon |
| Cultural Master Plan Task Force | Councillor Louise Wallace Richmond |
| Development and Planning Services Committee | Mayor and Council |
| Downtown Parking Commission | Councillor Chad Eliason |
| Environmental Advisory Committee | Councillor Sylvia Lindgren |
| Greenways Liaison Committee | Councillor Kevin Flynn |
| Housing Task Force | Councillor Louise Wallace Richmond / Councillor Tim Lavery |
| Shuswap Regional Airport Commission | Councillor Chad Eliason |
| Shuswap Regional Airport (Salmon Arm) Committee | Councillor Chad Eliason |
| Social Impact Advisory Committee | Councillor Louise Wallace Richmond |
| Tourism Review | Councillor Chad Eliason / Councillor Debbie Cannon |





| Committee / Agency | Council Member Appointed |
|---|---|
| Chamber of Commerce | Councillor Louise Wallace Richmond |
| Columbia Shuswap Regional District | Councillor Kevin Flynn / Councillor Tim Lavery |
| Columbia Shuswap Regional District Alternates | Councillor Louise Wallace Richmond / Councillor Debbie Cannon |
| Columbia Shuswap Regional District (Tourism) | Councillor Debbie Cannon |
| Downtown Salmon Arm (DSA) | Councillor Kevin Flynn |
| Fire Department Liaison | Mayor Alan Harrison |
| First Nations Partnership | Councillor Louise Wallace Richmond / Mayor Alan Harrison |
| Salmon Arm Economic Development Society | Mayor Alan Harrison |
| Kelowna Airport Committee | Councillor Chad Eliason |
| MIABC Voting Delegate (Alternate) | Councillor Chad Eliason (Councillor Kevin Flynn / Councillor Debbie Cannon) |
| Okanagan College Regional Advisory Committee | Councillor Sylvia Lindgren |
| Okanagan Regional Library | Councillor Louise Wallace Richmond |
| RCMP Liaison | Mayor Alan Harrison |
| Salmon Arm Museum and Heritage Association Advisory Committee | Councillor Debbie Cannon |
| Salmon Arm Roots and Blues Festival Liaison | Councillor Chad Eliason |
| Salmon Arm Bay Nature Enhancement Society (SABNES) | Councillor Sylvia Lindgren |
| Salmon Arm Fall Fair Liaison | Councillor Sylvia Lindgren |
| SEP Executive Committee Liaison (CSRD Bylaw 5690) | Councillor Tim Lavery / Mayor Alan Harrison |
| Shuswap Community Futures | Councillor Sylvia Lindgren |
| Shuswap Community Foundation | Mayor Alan Harrison |
| Shuswap Recreation Society | Councillor Debbie Cannon |
| Shuswap Watershed Council | Councillor Debbie Cannon |

Message from the Chief Administrative Officer



It is with pride that I present the City of Salmon Arm's 2020 Annual Report, which highlights not only our strong financial position but the continued dedication of Council and Staff to deliver outstanding services to our residents and visitors.

2020 was a year of uncertainty for many residents due to COVID-19 however Salmon Arm continued to grow and develop.

The City embarked on two strategies in 2020; Corporate Strategic Plan Update and Arts and Culture Plan. Staff, accompanied by contractors, undertook these projects which will help guide the future of Salmon Arm.

Staff have been working steadily to deliver strategic initiatives identified by Council in the Corporate Strategic Plan while also continuing to meet out statutory requirements and plan for the future.

Salmon Arm is a thriving community with a wonderful balance of recreation, arts and culture. We look forward to your participation and input as the City continues to grow and are committed to ensuring that Salmon Arm remains a safe, prosperous and beautiful city to work and reside in.

A handwritten signature in black ink that reads "Carl Bannister".

Carl Bannister, MCIP
Chief Administrative Officer

Financial Services Report



Box 40, 500 – 2 Avenue NE
Salmon Arm, British Columbia, V1E 4N2

April 28, 2021

In accordance with Section 98 of the Community Charter, the City of Salmon Arm (City) must include in its Annual Report audited annual financial statements for the previous year. Noted below are comments with respect to the financial status of the City.

The consolidated financial statements for the year ended December 31, 2020, were prepared by City staff, pursuant to Section 167 of the Community Charter and in accordance with generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The consolidated financial statements have been audited by BDO Canada LLP, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards. The role of the auditor is to examine the City's financial records and their opinion is expressed in the Auditors' Report on page 37.

The Financial Services Division is responsible for preparation and accuracy of the financial statements, including all disclosures. Both the 2020 Financial Statements and Annual Report provide users with an overview of the ongoing financial and operational performance of the City.

Significant changes to the revenue stream in the Consolidated Statement of Operations are the result of increases in property taxes due to new growth of approximately \$350,000 and grants utilized to address operational deficiencies (COVID-19 Safe Restart Grant) and upgrade works, services and facilities of approximately \$3.4 million. These increases were offset in part by reductions in return on investments of approximately \$724,000 as a result of reduced Bank of Canada earning rates and actuarial adjustments, reductions in sales of services of approximately \$208,000 related to custom work, storm sewer connections, transit and parking and a general reduction in developer contributed assets of \$1.6 million. Overall, expenses have increased approximately \$419,000 which is largely attributed to RCMP Police Force costs, prisoner costs, inventory adjustments, wages and benefits, and snow removal costs.

The Consolidated Statement of Financial Position encompassed changes resulting from an increase of approximately \$10.9 million in investments, principal debenture debt repayments of approximately \$2.6 million and new debt incurred of \$845,000 for Taxiway Charlie, an increase to deferred revenue as a result of the collection of development cost charges and Community Works Fund grants of \$800,760 and an overall increase in accounts payable of \$2.2 million.

The City provides operating departments with monthly variance reports which facilitates an ongoing review of budgeted to actual costs for the current year. This review identifies when projects and operating costs are not on target, providing staff with an opportunity to adjust programs, revisit budget estimates and apprise management and Council of recommended corrective actions.

Operating Results

The Consolidated Financial Statements consist of the following functions:

General Operating - net year-end surplus of \$197,056 which is within 0.78% of actual and budgeted revenues and expenses.

Regional Fire Training Centre - net year-end surplus of \$11,484 which was attributed to less than anticipated expenses.

Downtown Parking Specified Area - net year-end deficit of \$4,697, attributed to reduced revenues due to vandalism of parking meters and ticket machines.

Water Revenue - net year-end surplus of \$25,504 which was attributed to increased revenues related to connections and lower than anticipated administration expenses.

Sewer Revenue - net year-end surplus of \$24,187 which was attributed to increased revenues related to connections and expenses associated with capital upgrades being less than anticipated.

Capital Spending and Reserves

Long term strategic planning developed in conjunction with public demand, input and expectations is critical to achieving the objectives of the local government.

Generally, local governments contribute between 25% and

50% of their tax levy towards capital spending (i.e. infrastructure, major park developments, reserves, etc.). Based on the 2020 Financial Plan, the City should contribute between \$4,650,000 and \$9,300,000. The City has, on average over the past five (5) years, directed approximately 40% or \$6,949,600 of its tax dollars collected to capital spending and transfers to reserves. In 2020, this ratio was 39.1% or \$7,274,000. The City continues to strive towards increasing this percentage to direct a larger portion of tax dollars towards capital spending (such as new and upgraded infrastructure and facilities) as opposed to operational spending (i.e. maintenance). Issues such as the economic climate of the community, efficiencies in municipal operations, community expectations, infrastructure economics and safety play a key role in the outcome of this ratio. Each year, during the budget process, Council struggles with balancing these important factors. Some municipalities may have an ‘artificially’ low tax rate if they are not maintaining adequate levels of capital spending. Municipalities with ‘artificially’ low tax rates generally put off dealing with their infrastructure needs and in later years are faced with deteriorating roads, non-existent reserves, significant tax hikes and infrastructure that is behind generally accepted replacement schedules.

The City has developed a long range infrastructure plan which has been evaluated by qualified independent professionals. The City’s road infrastructure was re-evaluated in 2019 and this Pavement Management Study indicated that the condition index rating of the City’s roads was ‘43.4’, a significant deterioration from ‘82’ in the year 2011. A decrease in the condition index rating indicates to the City that it must put more tax dollars into its road infrastructure maintenance to stop or slow down this deterioration. This re-evaluation provided the City with critical information regarding road condition indexes and road rehabilitation options and estimates which may lead to a shift in road upgrade priorities. While funding levels have increased over the years, the cost of a key product required to maintain the road infrastructure (i.e. liquid asphalt, which is linked to world oil prices) has increased faster than the road infrastructure maintenance budget. The City’s spending level in future years will need to increase to sustain the road infrastructure at acceptable levels on an ongoing basis. The Pavement Management Study indicates that to maintain a condition index rating of ‘43.4’ the City should be spending \$2.5 million annually on road infrastructure maintenance. In 2020, the City expended \$993,261 towards road infrastructure maintenance, down from \$1,556,237 in 2019. As a result, the funding

allocation has increased for 2021 to \$1,622,000 as opposed to \$1,408,000 in 2020. The remaining funding allocation for 2020 of \$573,776 will be carried forward to 2021 and included in the amount noted above.

During times of budget cutbacks, capital spending and transfer to reserves tend to be an easy target, as they are not readily apparent to the public. Snow removal, on the other hand, has an immediate and direct impact on the public and tends to generate more public feedback. The City must take a cautious approach to ensure that both transfer to reserves and maintenance of infrastructure are adequate for our community.

The City’s Statutory Reserve Funds have increased by \$2,089,285 for a total of \$23,008,227. There is a certain level of capital spending from reserves that occurs annually. In 2020, the City replaced various public works vehicles and equipment, replaced the roof at Fire Hall No. 4, replaced an RCMP vehicle, installed Backstops at Klahani Park and constructed a new Disc Golf Course from its reserve funds.

The City has established reserves for the replacement of both protective (i.e. fire and police) and public works equipment. As part of the City’s strategic financial planning each year, based on the estimated life and the usage of the equipment, funds are set aside in a reserve to replace equipment when its useful life is finished. This eliminates the borrowing of funds for equipment replacements, delaying of purchases due to lack of funding, and/or significant tax increases.

The City’s Reserve Accounts have increased by \$10,529,454 resulting in a year-end balance of \$38,397,260. The overall increase is attributed to remaining debenture proceeds for the Ross Street Underpass project (\$4,775,527), COVID-19 Safe Restart Grant funding (\$2,973,989), the collection of developer contributions towards future works (i.e. the developer portion of sidewalks, roads, watermains, etc.) and transfers to reserves for specific projects and building replacements such as:

- construction of a recreational pool facility;
- contingency for operational shortfalls regarding policing costs and transit;
- large scale drainage projects;
- reconstruction of Shoemaker Hill;
- construction of an underpass;
- improvements to intersections;
- acquisition and upgrade of downtown parking lots;
- contribution to the City’s portion of construction of TCH West – Ministry of Transportation and Infrastructure project;

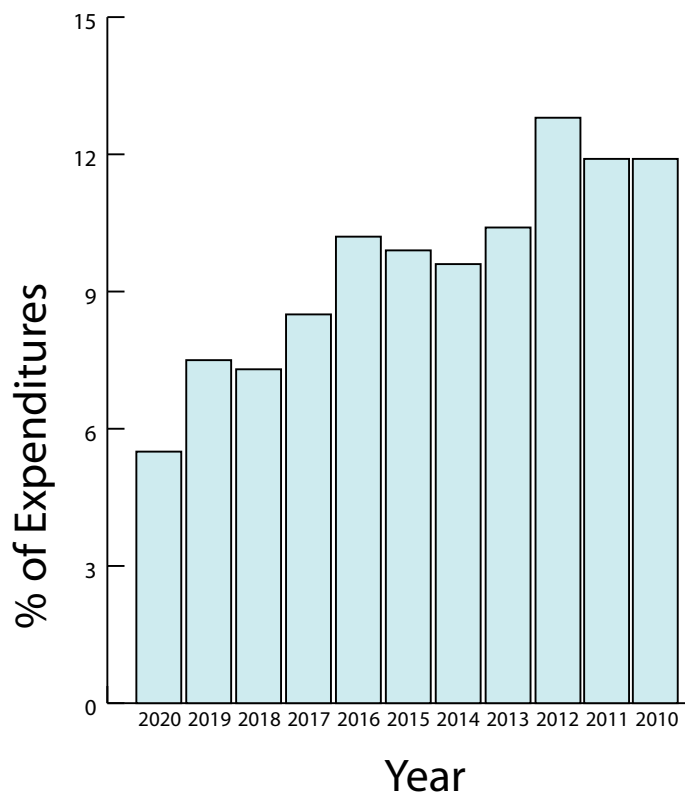
- improvements to Lakeshore Road;
- improvements to rail grade crossings;
- replacement and improvements to buildings and related equipment including City Hall, Public Works, the Shaw Centre, Little Mountain and Jackson Fieldhouses, Memorial Arena and Police Detachment;
- long term acquisition and construction of park related projects;
- improvements to Blackburn Park, Canoe Beach Park and Klahani Park;
- construction of the West Bay Connector Trail;
- airport related projects and contingency for operational shortfalls (i.e. snow removal, lighting, etc.); and
- replacement of HWY 97B watermain.

In 2020, transfers from reserve accounts were made to complete capital and operational projects (i.e. undertake drainage projects, procurement of one (1) hybrid vehicle, installation of a Solar PV system, replacement of chillers at the Shaw Centre, etc.) and for operational shortfalls and prior year incomplete projects (i.e. Solid Waste and Recycling Program, Recreation Centre, etc.).

These reserve accounts are utilized similar to a savings account. The City contributes a predetermined amount to the reserve account on an annual basis and, once the funds required are accumulated, the City undertakes the works. Some reserve accounts are put in place to address unanticipated operating shortfalls.

Long Term Debt

Long Term Debt has decreased by \$1,735,956 as a result of annual debt repayments. The City has practiced good fiscal management of its debt load over the years and managed to reduce this by taking advantage of early payout opportunities. The City has embarked on a number of payout initiatives with respect to several City debentures (i.e. shaw center (2019), water upgrade (2019), sanitary sewer upgrade (2017), law courts/civic building (2016), waterfront walkway (2015 and 2005), civic building (2006), wharf reconstruction (2001), water pollution control centre upgrade (1998), where in a predetermined amount is set aside annually to allow the City to retire these debentures early, saving the City hundreds of thousands of dollars in interest. In 2021, the City plans to undertake debenture borrowings for the construction of the Water Zone 2 Booster Station (\$1,720,000) and the construction of the Water Zone 5 Booster Station (\$1,315,000). These debentures will require elector approval which is envisioned to occur in the fall of 2021.



This graph reflects that principle and interest payments on long term debt over the past ten (10) years are, on average, 10% of the total expenditures of the City.

The City's long term debt falls under two (2) classifications – General debt and Utility debt. General debt is funded through general taxation while Utility debt is self-liquidating and repaid through water and sewer frontage taxes.

The borrowing limit established pursuant to Provincial Legislation is based on the City's ability to pay. Municipalities are empowered to borrow to a maximum of 25% of revenues. The City's debt capacity ratio is approximately 30.98% of the prescribed limit.

The outstanding debenture debt at the end of 2020 for each of the City's funds is:

| | |
|--------------------------|---------------|
| General | \$ 16,238,071 |
| Water (self-liquidating) | \$ 6,326,782 |
| Sewer (self-liquidating) | \$ 2,087,581 |

Grants

The City is proactive in pursuing grant initiatives and programs and as such was successful in securing the following grants:

- BC Air Access Program (Taxiway Charlie) - \$293,323;
- Community Works [Federal Gas Tax] Fund (Hudson



Street Beautification, LED Street Light Conversion, Marine Drive Parking Lot, 1 Street SE and 23 Street NE Sidewalk Replacement and Taxiway Charlie Design) - \$395,937;

- Insurance Corporation of British Columbia (Pedestrian Flasher Priority Study) - \$14,977;
- Municipal Regional District Tax (Paid to Salmon Arm Economic Development Society) - \$150,692;
- Provincial Grant (Arterial Street Lighting) - \$3,076;
- Provincial Grant (Community Child Care) - \$10,135;
- Provincial Grant (Food Hub – Paid to Salmon Arm Economic Development Society) - \$264,000;
- Strategic Community Funds (Small Communities Grant) - \$191,566; and
- Strategic Community Funds (Traffic Fine Revenue Sharing Grant) - \$167,891.

At the time of writing this report, the City had successfully secured the followings grants for 2020:

- BC Air Access Program (Taxiway Charlie) - \$226,680;
- BC Hydro (Re-greening) - \$4,000;
- BC Rural Dividend (West Bay Connector Trail) - \$100,000;
- Community Works [Federal Gas Tax] Fund (Ross Street Underpass, Hudson Street Beautification, Ross Street Underpass, TCH Corridor, LED Street Light Conversion, Lakeshore Road Slope Stabilization Design, Shuswap Street Sidewalk Replacement and 11 Avenue and 30 Street NE Round-a-Bout) - \$4,782,000;
- Federation of Canadian Municipalities (Municipal Asset Management Program) - \$40,000;

- Provincial Grant (Arterial Street Lighting) - \$3,100;
- Provincial Grant (Destination BC – Visitor Services) - \$12,500;
- Provincial Grant (Food Hub – Paid to Salmon Arm Economic Development Society) - \$165,000;
- Provincial Grant (Poverty Reduction Grant) - \$25,000;
- Provincial Grant (Infrastructure Planning) - \$10,000;
- Strategic Community Funds (Small Communities Grant) - \$190,000; and
- Strategic Community Funds (Traffic Fine Revenue Sharing Grant) - \$160,000.

The City is in a good financial position and strives to be innovative and creative in terms of service delivery that reflects Council priorities and community expectations. The City continues to be accountable in spending, sensitive to public needs and aims to preserve community infrastructure while balancing the economic conditions of the community.

Chief Financial Officer

Chelsea Van de Cappelle, CPA

City Officials



(L-R) Kevin Pearson (Director of Development Services), Erin Jackson (Director of Corporate Services), Carl Bannister (Chief Administrative Officer) Brad Shirley (Fire Chief), Chelsea Van de Cappelle (Chief Financial Officer), Rob Niewenhuizen (Director of Engineering and Public Works)

Community Highlights



Projects 2020

With the onset of pandemic in the early stages of 2020, some of the City's annual capital works projects were proactively suspended in an effort to help reduce the budget impact related to the possible decrease in revenues due to COVID 19. There was also a reduction in part-time seasonal staffing so this also had an impact on both operational and capital projects. Some highlight projects were:

1 Street SE Sidewalk renewal of approximately 200 metres of sidewalk curb and gutter from Okanagan Avenue to 2 Avenue existing sidewalk beyond its useful life.

South canoe trail system is one of the most widely used trail-heads in the Shuswap and needed upgrades to the existing parking areas. With the help from the Shuswap Trail Alliance, a concept plan was created which will help address the parking issues and provide a guide for the future development and improvements of the trail head area.

One of the major infrastructure project which was completed in 2020 was the **Zone 1 Canoe Trunk Main** replacement. Approximately 500 metres of this section of water main is located in an environmentally sensitive area below Shuswap Lake high water mark. This water supply main supplies water to the majority of Salmon Arm through the Zone 1 pump house at Canoe.

Climate Action

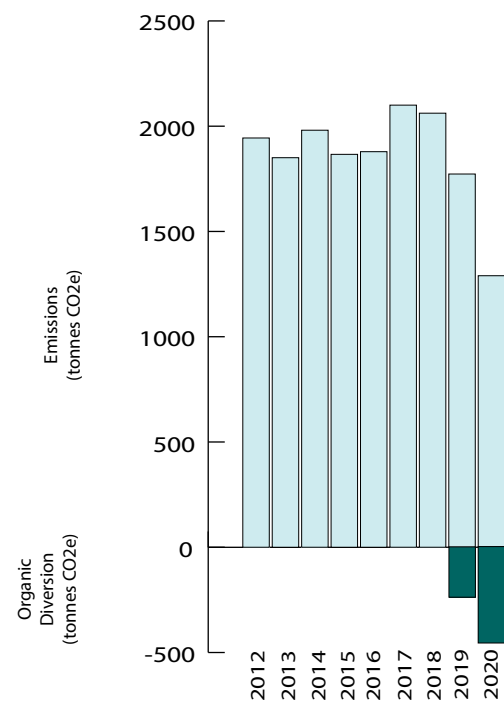


Projects completed in 2020:

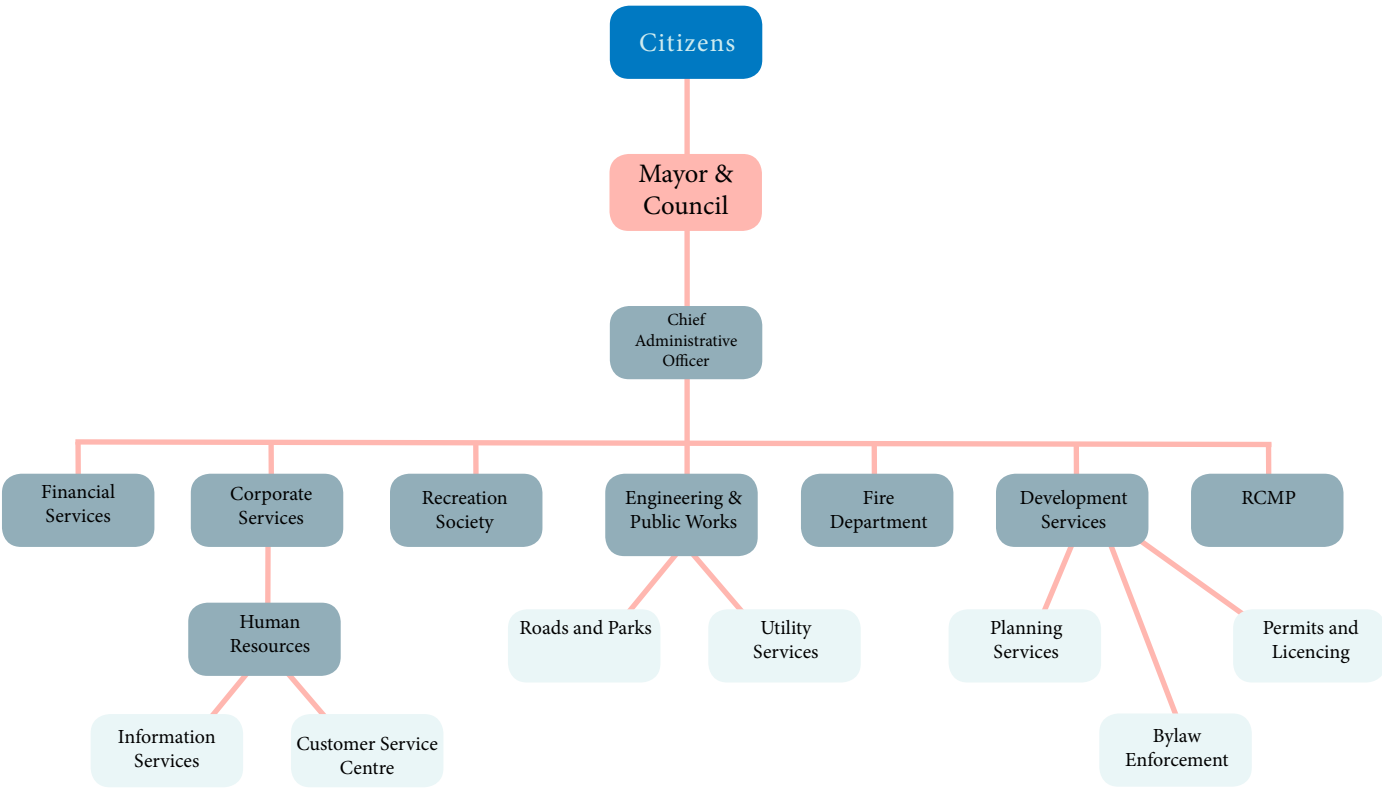
- Hybrid fleet vehicle (1 additional vehicle purchased);
- Art Gallery Solar Infrastructure installation;
- Active Transportation Task Force formed;
- Tree Planting – 50 trees with Naturalist Society;
- Community Energy and Emissions Plan;
- Community Energy Association membership;
- City Hall Lobby - LED conversions;
- Downtown LED street lighting conversion;
- SASCU Rec Centre Auditorium LED lighting project;
- Efficiency upgrade: replacement of Shaw Centre arena chillers;
- Wildfire Fuel Load Management (South Canoe / Little Mountain projects);
- Continued Organic Waste Diversion program and residential yard waste pick-up;
- Sidewalk install (50 m by City and 367 m through development); and
- Greenway network enhancement (2,800 m new trails created).

The City of Salmon Arm has been claiming a carbon tax rebate via CARIP since 2008, considered conditional on directing these funds towards expenditures that will reduce greenhouse gas emissions.

The total reported in 2020 represent the lowest emissions total to date, improving on 2019 which was the previous lowest total. The significant reduction in emissions for 2020 can be directly most significantly attributed to the first full year of the Organic Waste Diversion program. Emission reductions in 2020 are also evident in the fleet, attributed to the use of hybrid fleet vehicles. Further to this, a significant decrease associated with street lighting and the City's water system can be attributed to both efficiency efforts and a reduction in the emission factor assigned to electricity that is used to calculate related ghg emissions.



Organizational Chart



Strategic Plan



Our Vision

Salmon Arm is a community that has a comfortable, safe lifestyle and a vibrant feeling. The community deeply values the City's magnificent natural setting with its healthy ecosystems. The City is nestled between mountains and the shore of Shuswap Lake, offering beautiful scenery, greenery, rich agricultural land, and a desirable climate.

As the regional centre of the Shuswap, Salmon Arm has an abundance of recreational, educational, commercial, tourism, health care, and cultural opportunities and services. The strong and growing economy supports varied employment and shopping, and innovative businesses and industry.

The community is spirited, diverse and inclusive, with housing for residents of all ages and needs. Everyone works together towards a shared vision of a good quality of life for all.

In the vibrant city centre, people live, work, visit, meet, shop and spend time enjoying diverse artistic and cultural activities. Downtown's unique urban identity combines heritage preservation, a walkable environment, and high quality, mixed-use developments.

Green space extends throughout the city, including active recreation sites and natural parks with trails. The city abounds with safe walking and cycling opportunities connecting neighbourhoods, the city centre, natural areas and parks.

Our Values

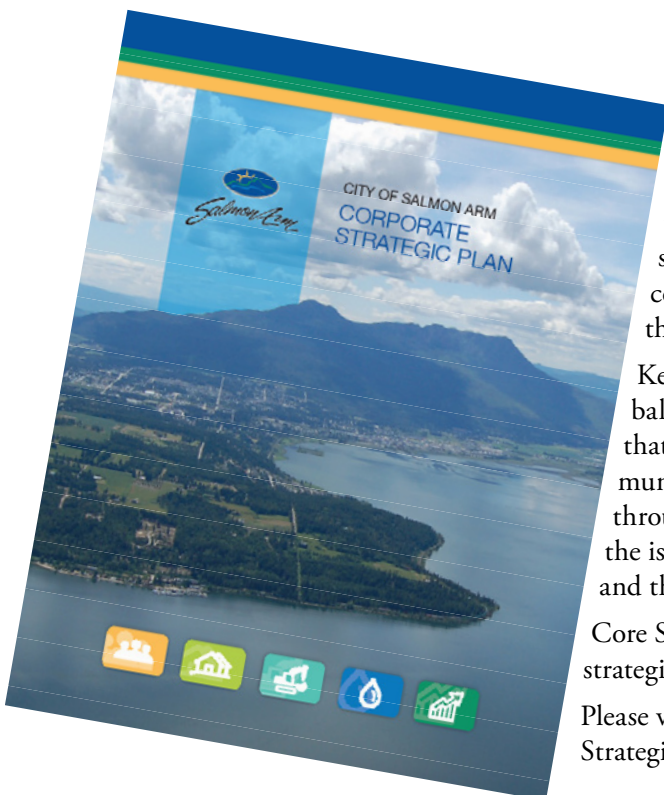
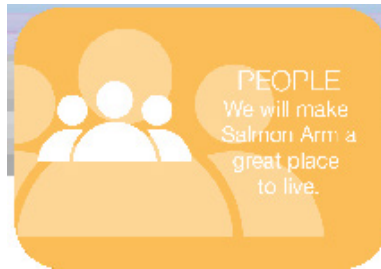
- Commitment to pragmatic leadership
- Excellence in service delivery
- Foster trusted relationships with our partners
- Respect what makes us unique
- Enable future generations to inherit a city that is vibrant, prosperous and sustainable
- Encourage citizen participation and input
- Ensure an efficient government
- Facilitate flexible and balanced planning processes



Five Strategic Drivers

The City's vision provides a clear sense of what the community is striving for over the next ten (10) to fifteen (15) years, and it sets direction for policies that exist within the Official Community Plan. The main objective of the Corporate Strategic Plan is to translate the City's vision and policies into actions that are necessary to ensure tangible outcomes that provide real benefit to the community.

Through a series of discussions with City Council and staff, as well as a comprehensive survey of residents and community organizations, five key themes have emerged that will drive the City towards its vision. These strategic drivers include:



These strategic drivers represent several long term objectives that need to be achieved if Salmon Arm is to realize its community vision. The strategic drivers provide a balanced framework for ensuring that the City considers its investments and projects from a holistic perspective rather than unintentionally advancing one objective at the expense of another.

Keeping these strategic drivers in mind during planning will help the City balance aspirational objectives with operational considerations, and ensure that only those priorities deemed to be of the highest benefit to the community are undertaken. One of the main benefits of considering projects through the lens of multiple strategic drivers is that it brings more clarity to the issues at hand and allows greater collaboration between City Council, staff and the community.

Core Supplementary Service Achievements and Goals are identified by their strategic drivers.

Please visit City Hall or the City website at www.salmonarm.ca to view the Strategic Plan.

Core & Support Services








A collaborative and integrated approach has been taken in developing the City of Salmon Arm Corporate Strategic Plan (Plan) to ensure it accurately reflects the needs and interests of City Council, staff and the community. The Plan sets out the City's vision and values, and identifies five Strategic Drivers (People, Places, Assets, Environment/Waterfront, and Economy) which inform the list of Supplementary Core Services Projects to be undertaken over the next ten years. The Plan takes into account the efforts and resources required to deliver on core services, while also considering how these

services relate to other support services that are provided by other levels of government and organizations within the community.

The Plan also includes practical tools that can assist with decision making, prioritization of initiatives, and detailed project planning for future initiatives. The Plan, including the list of Supplementary Core Services Projects, is a living document that will be updated on an on-going basis as short term projects are completed, new priorities and projects arise, and new Councils are elected.

2020 Achievements

- Finalized design of Ross Street Underpass; 
- Waste Water Treatment Plant Planing and Open House; 
- Water Treatment Plant Improvements; 
- Disc Golf Course & Parking lot Development; 
- Shuswap Memorial Trail extension & parking lot construction; 

- Lakeshore Road Rehabilitation Study and Detailed Design;
- Universal LED Street Lights throughout Downtown Core;
- 10 Street & 6 Avenue NE intersection upgrade;
- Okanagan Avenue Speed calming;
- Water Treatment Plant Improvements;
- Waste Water Treatment Plan Upgrades;
- TCH – 4th St NE Water main upgrade;
- Airport above ground fuel tanks and cardlock system;
- Paving and lighting of Taxiway Charlie;
- Klahani Park Upgrades;
- Blackburn Park Gazebo Lighting upgrade;
- Implemented new online registration system for pool and recreation Programs;
- Refinished Auditorium flooring;
- Upgraded pool heating and filtration pumps as well as motor;
- pool deck water valve and shower repairs;
- Shaw Centre refrigeration plant upgrade;
- Continued adapted swim lesson program partnership with the SD # 83 for students with special abilities;
- Host to the Interior Health Covid-19 vaccination centre for

- Salmon Arm community;
- Developed and received sponsorship agreements with the Shuswap Children’s Association and the Ministry of Children and Family Development for the Motoring Munchkins Program;
- Partnered with Sicamous and Enderby communities in “PLAY Shuswap” activities with representation from health, recreation, education and sport sectors;
- Family Day activities attracted 450 participants for Skate Skills, Public Swim and Public Skating;
- Partnered with the Salmon Arm Tennis Club to offer a tennis lesson program;
- Five recruits and 1 Junior firefighter successfully completed requirements for full service accreditation within the Salmon Arm Fire Department;
- Continued supporting Fire Smart programs; and
- Twenty one members received N.F.P.A 1001 accreditation.





Future Goals

- Trans-Canada Corridor Safety Improvements (MOTI & ICBC);
- Opening of Taxiway Charlie (Shuswap Regional Airport);
- Hillcrest Subdivision Greenways Trail Extension;
- Canoe Beach and Raven Community Park Playground replacement;
- Shuswap Street Sidewalk Replacement;
- Public Works Building renovation;
- Development of new hanger lease lots;
- Canoe Beach Boat Launch Improvements;
- Marine Park Rotary garden upgrade;
- Ross Street Plaza public washroom Re-design;
- Shuswap Memorial – Tree plantings;
- Take lead on FireSmart education program;
- Shuswap Memorial – Electrical Service & Lighting;
- Shuswap Cemetery Trailhead parking lot expansion;
- Foreshore Trail improvements;
- Waste Water Treatment Plant Centrifuge Upgrade;
- Install new entry doors at the Memorial Indoor Sports Field;
- Host Canadian Blood Services blood donation events;
- Complete Strategic Plan;
- Resume Public-Education Recreation programs;
- Amend Official Community Plan to promote higher density residential development;
- Update portions of Zoning Bylaw to support higher density residential development;
- Update Social Wellbeing Project;
- Facilitate additional ALR Exclusions within the Special Development – Industrial Area; and
- Hire two, new full Time Bylaw Enforcement Officer Positions.



Rogers Hometown Hockey

March 7-8, 2020

Hosted by Sportsnet favourites Ron MacLean and Tara Slone, the Rogers Hometown Hockey Tour traveled to Salmon Arm in March 2020. The festival featured a full weekend of live entertainment, NHL alumni, and hockey-themed activities, culminating with a live outdoor viewing party of an NHL broadcast from the Sportsnet Mobile Studio.



COVID-19

2020 is synonymous with several catchphrases including “we’re in this together”, “flatten the curve”, and, “Be kind. Be calm. Be safe.”

Reflecting on the year ignites a series of emotions covering a spectrum from uncertainty to grief and loss to tenacity and resilience to inspiration. As a community, Salmon Arm supported one another: hanging hearts in windows and banging pots and pans in support of front line-workers, working to stay socially connected while remaining physically distant.

Looking back, it has been a remarkable journey:

COVID-19, 2020 Timeline

January 28: The first presumptive positive case of COVID-19 is announced in B.C.

March 5: The first case of community transition of COVID-19 not linked to travel is announced in the province.

March 8: Canada’s first death related to COVID-19 is recorded in B.C.

March 12: B.C.’s health officials discourage all non-essential travel outside of B.C. and announce a two-week self-isolation period for anyone arriving internationally.

March 16: Health officials ban all events with more than 50 people in an effort to curb the spread of COVID-19

March 16: Salmon Arm closes public access to the municipal hall to help “flatten the curve” of COVID-19 pandemic – maintain service remotely.

March 17: All public schools are temporarily closed in the province following March break.

March 18: B.C. declares a provincial state of emergency over the COVID-19 pandemic.

March 20: Dr. Bonnie Henry orders the closure of all dine-in establishments, with takeout and delivery options still allowed. Playgrounds are also ordered to close.

March 21: All “personal service” establishments are ordered to close in B.C. including salons and spas.

April 17: Progress made on flattening the curve

May 19: B.C. announces it’s moving to Phase 2 of its restart plan, allowing all stores, salons, restaurants, libraries, museums, child-care facilities and parks to reopen. Medical services like physiotherapy, dentistry and massage therapy are allowed to resume.

June 1: Schools reopen for in-class instruction, with students allows to return voluntarily for the final weeks of class under new COVID-19 protocols

June 24: B.C. enters Phase 3 of its restart plan, allowing non-essential travel throughout the province.

August 21: Stronger enforcement begins. Fines of up to \$2000 can be issued by police and other law enforcement

September 10: Schools re-open

October 19: Dr. Bonnie Henry says the province is in its second wave of the pandemic as cases rise dramatically.

October 26: A new provincial health officer order is put in place, limiting gatherings in private homes to no more than your immediate household, plus six others.

November 7: Social gatherings with people outside households are prohibited, many physical activities are limited and some travel is restricted.

November 10: Salmon Arm receives \$3,598,000 through provincial Safe Restart Grant Program aimed at COVID relief.

November 19: B.C.’s health officials announce another extension of public health orders, banning gatherings through the holiday season.

November 27: Masks become mandatory in all public spaces.

December 7: Provincial Restrictions are extended to January 8, 2021.

December 9: The first COVID-19 vaccine, from Pfizer-BioNTech, is approved for use in Canada.

December 15: A 64-year-old health-care worker is the first person in B.C. to receive a COVID-19 vaccine.



City of Salmon Arm Departmental Services

Corporate Services

The Chief Administrative Officer (CAO) is statutorily appointed under the Community Charter and is responsible for the overall management of City operations and programs providing guidance and direction to Senior Managers. The CAO assists Council in establishing and implementing policies through municipal staff and ensures that all departments are working towards the same goals and objectives as Council.

The role of the Human Resources department is to provide professional advice and guidance to the City regarding best practices in all areas of HR as well as legislative requirements.

Corporate Services:

The department provides legal and administrative support to City Council; it is responsible for recording resolutions, decisions and minutes of Council to allow the direction of Council to be carried out.

Legal and administrative services provided by this division include the preparation and execution of leases, agreements and legal documents and development of bylaws, policies and procedures, etc. This division manages the City's property and liability insurance portfolio and handles all insurance claims through an Insurance Risk Management and Claims Committee, including the self insurance program. It ensures the proper conduct of municipal elections and referenda. Legislative Services manages the corporate document management system, City Policies Manual and completion of the City's Annual Report.

Inquiries under the Freedom of Information and Protection of Privacy Act are handled through this division

Human Resources:

The Human Resources Department provides strategic direction, vision, and leadership to the City's management team and unionized employees (CUPE Local 1908 and IAFF Local 3791 employees). The Department is responsible for the recruitment and selection, performance management, disability

management, labour relations, collective bargaining, health and safety, training and development of all employee groups.

In addition, the Health and Safety Division within HR ensures that the City is in compliance with WorkSafeBC and OHS regulations. The health and safety of the City's workforce is of the utmost importance and is integral to creating a positive culture.

Customer Service:

The City of Salmon Arm recognizes the importance of its citizens and endeavours to consistently provide quality customer service in a timely and efficient manner. City staff delivers both internal and external customer service that reflects the growing and changing needs of our operations and citizens.

The Customer Centre services all departments including Fire and Public Works. Our Customer Service Centre (located at City Hall) is the first point of contact for the Public to receive information and support relating to:

- Building permits, inspections, licenses, and zoning;
- Recycling and solid waste management;
- Fire permits;
- Property taxes and utility billing;
- Dog licensing;
- Cemetery services;
- Parking and transit passes;

IN
2020

157
New Twitter
followers

21%
Facebook
audience growth

189,031
Individual visits to
www.salmonarm.ca

- Public Works inquiries;
- Cashier payments; and
- General inquiries.

Customer Service Representatives stay updated on changes and developments in the City's activities in order to provide knowledgeable services to the Public.

The hours of operation are Monday-Friday 8:30 a.m. – 4:00 p.m. (closed on statutory holidays).

Information Services:

The role of the Information Services Division is to provide reliable, stable and current technology systems to all City departments. This division maintains all servers, workstations, firewalls, printers, digital cameras, scanners, telephones, cellular phones, pagers, security systems, Geographic Information Systems (GIS), as well as the City website.

The vision of Information Services is to position the City with a predictable and balanced approach to managing technology where all departments can deliver services to their staff and the residents and businesses of Salmon Arm.

Information Services coordinates and manages short and long term strategic planning, acquisition of corporate computer equipment, software and services, and telecommunications equipment and services. This ensures the effective operation of the City's information services infrastructure and supports the

various applications and processes of the municipality and its interaction with the citizens of Salmon Arm.

Recognizing the important role information technology (IT) systems play in the daily operation of the City, high availability and business continuity of information systems is a key priority in the IT service delivery mechanism. Where required and cost effective, Information Services strives to implement products with a maximum amount of redundancy which provides a quick response solution to recover from serious failures, minimizing lengthy system outages and lost productivity.

The demand for information from both our internal and external customers continues to encourage the need for technology solutions. Our diverse group of users drives the need for these tools to ensure their effectiveness in sustaining the requirement for efficient fiscal management and decision-making.

Geographic Information Services:

Our spatial Geographic Information Systems (GIS) database provides support to Engineering & Public Works, Development Services, Finance Departments and Corporate Services for reporting and map generation. In addition, a public interactive mapping system is available on the City's website with the capability to search for zoning, legal descriptions and assessments.

GIS is an integral component of the City's Information Services Division and has become a significant and essential database which is relied upon by both staff and customers alike.

Financial Services

The Financial Services Division provides financial expertise, information, guidance and advice on day-to-day operational matters to internal (Council, Managers and Departments) and external (taxpayers, developers, etc.) customers. This division develops financial policies and procedures which assist Council and guide staff in shaping the direction of the organization.

Staff provide accurate and full disclosure on the financial affairs of the City as set out in the Community Charter and Local Government Act. This information includes annual municipal reporting forms, operational and capital budgets, setting of annual property tax, water and sewer rates, annual financial statements, long term financial plans, investments, statement of financial information report, etc.

Long term growth management strategies such as the Long Term Financial Plan, Five (5) Year Capital Plan and the Long Term Equipment and Infrastructure Replacement

Plans are developed and implemented to better plan for our community.

Financial Services takes a leadership role in Emergency Management. For example, in both the 1998 and 2003 wildfire events, this division played a key role in coordinating the donation process, tracking expenditures at the Emergency Operation Centre, execution of various contracts such as communications, volunteers, etc.

The Division develops and implements financial controls which safeguard City assets (i.e. the collection and expenditure of funds) and prevent fraud and error. This division is staffed by five (5) accounting clerks, an accountant, a Financial Services Manager and the Chief Financial Officer. They are responsible for processing invoices, receivables, payroll for approximately 106 full and part time staff, calculation and collection of property taxes and utilities, preparation of annual budgets, etc.

Development Services

This department administers the City's Official Community Plan and other related planning and development bylaws; reviews development and subdivision applications for compliance and approvals. Building inspection, business licensing and bylaw enforcement are the other key pillars of this department. Staff continually track development activity and keep apprised of legislative changes that may affect City policies and bylaws. Citizens and the development industry are the primary clientele of this department.

Planning and Development:

The core focus of planning staff in 2020 remained on the administration of various types of applications mostly involving subdivisions, rezonings and development / variance permits. One hundred applications of various sorts were reviewed for compliance with City bylaws, policies, guidelines and Provincial legislation with the majority of those reviewed by City Council (compared to 59 application in 2019). Various planning projects completed included the Community Housing and Energy Plans along with annual Climate Action reporting. As a requirement by the Province, a number of historical Land Use Contracts encompassing hundreds of properties were successfully terminated. Planners actively participated on the City's Agricultural and Greenways Committees, Active Transportation Task Force, Design Review Panel, Heritage Commission and with the Economic Development Society.

Bylaw Enforcement:

The majority of issues and complaints handled by the City's Bylaw Enforcement Officer consisted of nuisances on public properties. Many of the complaints were not enforceable by a City bylaw as complexity of societal issues continues to expand with population growth. A number of Ministerial Orders directly related to COVID 19 only heightened expectations on Bylaw staff to deliver service outside of its normal scope.

Building Inspection:

The City's Building Officials and support staff provide the construction industry with professional service and a primary objective being to ensure the safety and structural integrity

of new buildings. Inspection services range from building and plumbing to signage and business occupancy. Despite the COVID 19 outbreak, the construction industry remained very strong in Salmon Arm. The number of building permits issued in 2020 was 348 (in 2019, 351 permits) with a combined construction value of \$54 million (in 2019, \$58.5 million). Residential construction was particularly buoyant with 94 single-family dwellings, 41 multi-family dwellings and 36 suites.

Business Licensing:

The City participates in the Province-wide business licensing and information sharing programs. Business license applications are checked by staff for compliance with zoning bylaw requirements, and business premises are inspected to ensure that they are safe for the public. The number of active business licenses did not noticeably drop with the COVID 19 outbreak.



IN
2020

458
Tonne reduction of
Greenhouse Gas
Emissions

135
New residential
dwellings created

961.7
Metric Tonnes of Food
Waste collected

Engineering Services

Engineering oversees road and utility construction and design, transportation planning (including traffic, pedestrian and cycling planning, parking and road construction), utility planning, and environmental programs. The overall role of the department is to provide proactive planning, expansion, renewal, and maintenance advice. The department also prepares technical documents which accompany regulatory bylaws (such as water, sewer, subdivision and development servicing, highway and traffic control, etc). The department plays an integral role in the long-term planning of infrastructure design and costing, and managing the City's infrastructure to promote sustainability.

Shuswap Regional Airport (Salmon Arm) CZAM:

The Shuswap Regional Airport is managed by the City and is a class Code 2B non-instrumental 1,370 metre runway airport, servicing both commercial and private users. Airport services include 24/7 service and a terminal building (which includes commercial rental space) and the Salmon Arm Flying Club clubhouse. A new card lock aviation fueling station has been constructed along with new above ground fuel tanks which will enhance the services at the Airport.

Transit Services:

The Shuswap Regional Transit System is provided in partnership with BC Transit, the CSRD, and the City of Salmon Arm. It is operated by First Canada ULC. The transit system is comprised of eight (8) buses which provide passenger service for five (5) fixed routes, as well as custom para-transit, and regional service to Blind Bay, Sorrento, Eagle Bay and the Adams Lake Band, plus a taxi-supplemented service to minimize operation and maintenance costs. The City has implemented free transit for students during the months of July and August.

Curbside Solid Waste and Recycling Collection:

The City of Salmon Arm provides Solid Waste Curbside Collection Services to almost 6,650 homes within the City limits. These include single-family residential dwellings, mobile homes and other eligible dwellings. The City provides collection for four (4) material streams: Food Waste (Weekly) Recycling (bi-weekly), Yard Waste (semi-annually) and Refuse (bi-weekly).

The Curbside Collection Program is provided through our collection contractor, SCV Contractors.

The City works in partnership with Recycle BC (formerly

Multi Material BC) to administer the Curbside Recycling Program.

The City provided two (2) Yard Waste Collection days in 2020. Clippings (grass, lawn, and hedge), sod, flowers, weeds (non-invasive), leaves, vegetable stacks, shrubs, and shrub/tree branches (up to 1" diameter) were accepted in compostable paper bags. The waste was composted and will become available to residents as part of the CSRD's Kickin' Compost program.

Food waste is currently delivered to the CSRD transfer station located at the Salmon Arm landfill and then is transported to Spa Hills for processing into compost. The compost is used locally in Salmon Valley.

The City aims to provide the most efficient and cost-effective collection methods for its residents while maintaining low levels of contamination in order to maximize the quantity and quality of recycled commodities.

Cemetery:

The City currently maintains Baker Cemetery and Mt. Ida Cemetery with Shuswap Memorial Cemetery which opened in the summer of 2019.

Baker Cemetery is no longer active and is located at 6670 Trans Canada Highway NE.

Mt. Ida Cemetery is located at 2290 Foothill Road SW. The Old Section of the cemetery was established in 1894. The cemetery is approximately 110 acres of which only nine acres are suitable for cemetery development.

Shuswap Memorial Cemetery is located at 2700 20 Avenue SE. The 25 acre site has grave plots, columbariums, family vessels and scattering gardens.

Public Works

Public Works is comprised of two (2) divisions: Roads, Transportation and Parks; and Utilities (including water and wastewater treatment facilities). The role of the department is to ensure that pro-active planning and maintenance of the City's infrastructure takes place to facilitate cost-effective and timely capital works programs that maximize benefits to the community. This department seeks to foster good communications with the community, with a view to working together to achieve the best balance between cost and benefit.

Roads, Transportation and Parks:

This division provides a wide range of services to the community. The Roads group looks after maintenance and construction of municipal roads, snow removal and sanding, dust control, sidewalk maintenance, street lighting, traffic signage, bridge repair, storm drainage maintenance, rehabilitation of asphaltic roadways and traffic, and pedestrian safety. The department also looks after maintenance of City playing fields, wide-area mowing of major parks, boulevards and playing fields, planting, watering and weeding of flower beds, hanging baskets and down town planter boxes, cleaning and maintenance of public washrooms, maintenance and pruning of street trees, and garbage pickup in the parks. They also are in charge of public sidewalks and walkway snow removal.

Drainage:

The City of Salmon Arm, under both the Utilities and Roads Divisions, is responsible for the maintenance and ongoing development of the storm water collection system. The storm lines, ditches, catch basins, inlet/outlet structures, culverts, and retention ponds are maintained within the limits of available budgets, to ensure there are no issues with run-off water. The Utilities Division also utilizes a smoke testing program to identify potential cross connections existing throughout the collection system.

Utilities:

The Utilities Division provides for the efficient treatment and delivery of high-quality water and the collection and treatment of sanitary sewer through a schedule of systematic new improvements, upgrades, and replacements. This division plays an integral role in maintaining the health, safety, and well-being of the community.

The water and sewer utilities have self-liquidating funds that must provide for their own revenues through fees, taxes and other charges to support the expenditures required to operate and maintain infrastructure into the future.

Water Treatment/Distribution System:

The City's water is supplied by way of two (2) primary sources: East Canoe Creek at Metford Dam (approximately 10% of the water supply) and Shuswap Lake at Canoe Beach (approximately 90% of the water supply). A secondary water source at Rumball Creek provides untreated and non-disinfected water for irrigation at the Mt. Ida Cemetery. The water supply consistently meets the Canadian Drinking Water Guidelines, BC Drinking Water Protection Act and the Safe Drinking Water Regulations.

The distribution system includes approximately 205 km of watermain, varying in diameter from 100 mm to 600 mm. The City's waterworks system provides water through gravity and pump systems. The waterworks system is complex and is comprised of seven (7) pressure zones, 838 hydrants, six (6) pumping stations, fourteen (14) reservoirs and one (1) dam. There is a total storage capacity of 24,538 cubic meters servicing a population of approximately 19,000 people and over 6,100 connections. Approximately 25% of the City's customers are on water meters.

Sanitary Sewer System:

The City provides an enhanced tertiary level of treatment of wastewater at its Water Pollution Control Centre, meeting the guidelines set by the Ministry of Environment to protect the public and the environment. It operates both the Water Pollution Control Centre and seven (7) lift stations safely and at optimum efficiency.

IN
2020

9.3
Litres of Water
Treated Daily

68
Irrigation Systems
Maintained by City

\$422,000
Improving City
Parks & Trails

Police Services

The Salmon Arm Royal Canadian Mounted Police (RCMP) Detachment is committed to ensuring the safety of the community. As the policing environment becomes more complex, preserving the peace, upholding the law and providing quality service is achieved by focusing on the strategic priorities set through consultation with City Council and our community. The Detachment provides specific programs and services to achieve these priorities, including Public Education, Enforcement, Prevention and Protection activities.

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Salmon Arm is policed by the RCMP. The Staff Sergeant in Charge of Salmon Arm Detachment reports to the District Officer at our South East District Headquarters, in Kelowna. The South East District RCMP Headquarters provides assistance and asset support to Salmon Arm Detachment. RCMP Specialized response teams, Police Dog Services, and tactical and additional investigative teams are deployed through this hub. Additionally, RCMP rotary and fixed wing aircraft and other specialty equipment is available upon request to support operations at the local detachment.

The Salmon Arm Detachment is responsible for policing within the City of Salmon Arm as well as the regional area of Columbia Shuswap Regional District and three (3) First Nations Communities: Adams Lake Band, Neskonlith Band and Little Shuswap Lake Band which are part of the Secwepemc Nation.

There are twenty five (25) regular member police officers who staff the Salmon Arm Detachment. Twenty (20) of these officers are financially supported by the City of Salmon Arm. The remaining five (5) officers are financially supported by the provincial government. These members are supported in their duties by six (6) municipal employees, two (2) public service employees, a Police Based Victim Services section and volunteer Salmon Arm Citizens Patrol as well as Blind Bay Citizens Patrol support our operations.

Members of the Salmon Arm Detachment are involved in community policing initiatives, youth mentorship, and

crime reduction with a mandate to enforce municipal bylaws, provincial statutes and Federal Acts. In 2020 our members and support staff handled 7,883 calls for service / investigations.

The detachment encompasses three (3) sections: General Duty, which includes day to day policing, traffic enforcement and community policing measures; a Traffic Section; and General Investigation Section, which targets specific crimes and individuals involved with drugs, major thefts and other high profile cases.

The Detachment has a close working relationship with many government agencies including Provincial and Federal Crown Counsel, Youth and Adult Probation Services, all Provincial Ministries, Work Safe BC, Interior Health Authority, the British Columbia Coroner's Service and the SAFE Society. In strategic partnership with community groups and these agencies (and other agencies) we work together to achieve common goals.

Police-based Victim Services is based in the RCMP Detachment and consists of one paid staff member at this time. After undergoing an extensive training program to prepare them the Police Based Victim Services our support person provides support and information to victims of crime, persons affected by family tragedies, supports victims through the court process and refers clients to local Community-based Victim Services as required.

Another important support to the local detachment is the Salmon Arm Citizens Patrol (SACP) and the Blind Bay Citizens Patrol (BBCP). These Citizen Patrol groups are comprised of a dedicated group of volunteers who act as extra sets of eyes and ears for the local RCMP Detachment. The groups patrol designated areas in Salmon Arm and Canoe and the Blind Bay areas of our detachment area. Both groups also staff the "Speed Watch" speed-display boards within their respective areas. SACP members also staff information booths at local events and venues, and are of assistance to local response teams during civil emergencies.

Fire Services

The City of Salmon Arm Fire Department provides community based fire suppression, prevention, public education and some rescue services to the residents of the City of Salmon Arm.

The Salmon Arm Fire Department is committed to providing the highest quality of service to the community in preserving life, protecting property and the environment, taking great pride in the professionalism and quality service provided by all of our Fire Department career staff and Paid On-Call Firefighters.

From its beginnings in 1913, the Fire Department has evolved from a small shed in town center housing buckets and a hose reel, now operating from four strategically located firehalls with well-equipped apparatus and highly dedicated men and women prepared to answer calls for service 24 / 7 / 365.

In 2020, the Fire Department was staffed by three career members consisting of the Fire Chief, Deputy Fire Chief and a firefighter as well 70 paid-on-call members working from the four firehalls as follows:

- Fire Hall #1 – 6600 50 Street N.E. (Canoe)
- Fire Hall #2 – 200 30 Street S.E. (Broadview)
- Fire Hall #3 – 141 Ross Street N.E. (Downtown)
- Fire Hall #4 – 5160 40 Avenue N.W. (Gleneden)

Apparatus includes 4 engines, 3 tenders, 1 aerial ladder, 1 Rescue truck, 1 bush truck, 2 UTV's, a haz-mat trailer and 3 administration vehicles.

Response types include fire and rescue related calls including trench, confined space, low angle and elevator rescues along with hazardous material response.

The department does not provide medical first response however does assist the B.C. Ambulance service with lift assists and continues to work closely with the Salmon Arm Rescue Unit at motor vehicle accidents where entrapment is involved.

In 2020 the department responded to 344 calls for service dispatched to the department through Surrey Fire Services.

Fire protection services were provided to approximately 8,550 properties and inspection services to approximately 1000 public occupancies.

With the occurrence of the Covid 19 Pandemic in early 2020, in following Provincial health guidelines and recommendations from the Fire Chiefs Association of B.C., the department scaled back a number of activities including fire training, Public Education and Prevention. Strict guidelines and P.P.E. were put in place to ensure the health and Safety of our firefighters, as well the public we serve.

The department was able to complete the recruit training program with 5 firefighters and one junior firefighter completing the course with the College of the Rockies continuing to be the departments training certification provider.

Regular Tuesday night training was, for the most part conducted virtually through GoToMeetings with the departments training division having to change its way of delivery. These sessions were very well attended by the fire department members.

During the year 2020, twenty one additional Salmon Arm Fire Department members received accreditation to NFPA 1001.

As with training, many other activities including conferences, public education and the annual Fire Prevention Week activities were conducted virtually. Unfortunately many of the departments activities were cancelled or postponed until 2021 due to Covid.

The department was able to continue with its smoke alarm program and support the FireSmart program seeing one neighborhood being recognized by FireSmart Canada.

The Paid On Call Firefighters Association members also conducted a Covid Safe Christmas Toy Drive raising over \$5,000.00 for local charities.

Safety inspections also continued ensuring occupancies met requirements of the BC Fire Code and a new Pre Fire Planning program was initiated and relevant data entered into program. Over 100 new pre plans were created since the program started in 2020. The Fire Department continued its partnership with C.S.R.D. and District of Sicamous departments in the operation and use of the Regional Fire Training Center.

IN
2020

3,3616
Hours of Training

8,550
Fire Protection
Provided Properties

344
Calls for
Assistance

Recreation Services

The Shuswap Recreation Society, through a lease and operating agreement with the City, is responsible for providing recreational and leisure services at the Shaw Centre, the SASCU Recreation Centre and the Little Mountain Field House. The Society's mandate is to provide diverse family and adult-oriented leisure activities with a view to promoting active living and quality of life in the community. The Society strives to maximize the productivity of resources, provide good cost recovery of taxpayers dollars, and provide affordable recreational opportunities for the residents of Salmon Arm.

SASCU Recreation Centre:

The Recreation Centre provides a wide range of services including pool and facility rentals, racquetball and squash, weight training, programming, etc. to promote the health and wellness of our citizens.

Aquatic Services:

The Aquatics Division provides an indoor lap pool and hot tub, and sauna. It has been a priority of the aquatics staff to create a warm and inviting atmosphere. In addition to swimming lessons, four (4) levels of aquafit taught by certified instructors as well as special swim programs are provided to individuals who require rehabilitation exercises. Our Aquatics division is also a training centre for Water Safety Instructors, Lifeguards and First Aid (including automated external defibrillator training).

This facility is also used by competitive swim clubs. This quality environment has led to competitive teams and individuals who consistently prove themselves in provincial competition.

Programming Services:

The SASCU Recreation Centre provides various programs from preschool to seniors in addition to the facilitation of contractors who also provide recreational programming. Drop in programs such as Motoring Munchkins and Pickle Ball are very popular as are registered programs such as Wiz Kids and Volleyball. Each season the SASCU Recreation Centre publishes the 'Fun Guide' promoting the various programs and events for 'Salmon Arm Recreation' as well as providing contacts to organizations and participating private recreation providers. The Programming department also provides scheduling for the various recreational facilities within the City.

Little Mountain Fieldhouse:

The Little Mountain Fieldhouse is part of the Little Mountain Sports Field complex consisting of three (3) regulation

size soccer fields next to Little Mountain Park. It is a great venue for meetings, birthday parties, small weddings or any other function at a reasonable rate. Little Mountain Fieldhouse is large enough to seat 60 people comfortably and is equipped with a full kitchen.

Access Program:

The Shuswap Recreation Society also offers an Access Program which minimizes barriers for financially challenged members of the community.

Shaw Centre:

The Shaw Centre provides two (2) sheets of regulation sized ice during the winter season which converts to dry floor for the summer season. It has the capacity to handle events with in-house stage, icedecking, show power, chairs, tables, meeting rooms and dressing rooms. This complex also has a Restaurant / Catering service and retail space.

In addition to minor hockey, adult rec hockey, hockey school, ringette, speed skating, figure skating and lacrosse, the Shaw Centre promotes a variety of community events and concerts. The evidence of Shaw Centre's commitment to providing quality events can be found in the successful production of:

- Perennial host for Hockey BC High Performance Camps, including the U16 BC Cup, U17 Best Ever program, and the U 18 Female BC Cup;
- Numerous Concerts such as Blue Rodeo, Emerson Drive, Alice Cooper, Stompin Tom, Paul Brandt, Teri Clarke, Steve Earle, etc.
- National Ringette Competition; and
- Salmon Arm Homeshow.

The Shaw Centre is home to the Salmon Arm Silverbacks Junior 'A' hockey team. The Silverbacks have been providing fans with many years of exciting hockey action on the ice and home games have evolved into an eagerly anticipated social event for many Salmon Arm residents.

Financial Section



**The City of Salmon Arm
Consolidated Financial Statements
For the Year Ended December 31, 2020**

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the City of Salmon Arm are the responsibility of management and have been approved by the Chief Financial Officer on behalf of Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Certain amounts used in the preparation of the consolidated financial statements are based on management's best estimates and judgments. Actual results could differ as additional information becomes available in the future. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The City of Salmon Arm maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the City of Salmon Arm's assets are appropriately accounted for and adequately safeguarded.

The City of Salmon Arm's Chief Financial Officer and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

Chief Financial Officer and Council members meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the consolidated financial statements and the external auditor's report.

The consolidated financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the members. The independent auditor's report expresses their opinion on these consolidated financial statements. The auditors have full and free access to the accounting records and the Chief Financial Officer and Council of the City of Salmon Arm.



Chief Financial Officer



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BDO Canada LLP
571 6th Street NE
Suite 201
Salmon Arm BC V1E 1R6 Canada

Independent Auditor's Report

To the Mayor and Council of the City of Salmon Arm

Opinion

We have audited the consolidated financial statements of the City of Salmon Arm (the City) and its controlled entities (the Consolidated Entity), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Consolidated Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of Matter - Restated Comparative Information

We draw your attention to Note 1 to the consolidated financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect to this matter.

Other Matter – Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 6 of the City's financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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.

In preparing the consolidated financial statements, management is responsible for assessing the Consolidated Entity'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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

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



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Consolidated Entity'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 Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants

Salmon Arm, British Columbia
April 12, 2021

**The City of Salmon Arm
Consolidated Statement of Financial Position**

| As at December 31 | 2020 | 2019 |
|--|-----------------------|-----------------------|
| | | (Note 1) |
| Financial Assets | | |
| Cash | \$ 2,001,975 | \$ 1,284,802 |
| Investments | 77,635,118 | 66,685,980 |
| Accounts Receivable | | |
| Property Taxes | 842,201 | 822,856 |
| Trade | 1,120,459 | 920,088 |
| Water and Sewer Levies | 337,525 | 353,367 |
| Inventories for Resale | 35,953 | 74,344 |
| M.F.A. Debt Reserve - Note 5 | 1,555,790 | 1,518,651 |
| Loan Receivable - Note 4 | 170,333 | 170,333 |
| | 83,699,354 | 71,830,421 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | 5,183,265 | 3,016,695 |
| Deposits and Performance Bonds | 1,363,101 | 1,258,595 |
| Prepaid Property Taxes and Levies | 3,130,786 | 3,312,421 |
| Deferred Revenues - Note 6 | 18,093,212 | 16,250,070 |
| M.F.A. Debt Reserve - Note 5 | 1,555,790 | 1,518,651 |
| Long Term Liability | 230,732 | - |
| Long Term Debt - Note 2 and Schedule 1 | 24,652,434 | 26,388,390 |
| | 54,209,320 | 51,744,822 |
| Net Financial Assets | 29,490,034 | 20,085,599 |
| Non-Financial Assets | | |
| Tangible Capital Assets - Schedule 2 | 220,855,881 | 223,277,200 |
| Inventories of Supplies | 486,823 | 449,612 |
| Prepaid Expenses | 188,099 | 29,667 |
| | 221,530,803 | 223,756,479 |
| Accumulated Surplus | \$ 251,020,837 | \$ 243,842,078 |



Chief Financial Officer

Chelsea Van de Cappelle, CPA

**The City of Salmon Arm
Consolidated Statement of Operations**

| For The Year Ended December 31 | 2020 | 2020 | 2019 |
|---|-----------------------|-----------------------|-----------------------|
| | Actual | Budget (Note 7) | Actual (Note 1) |
| Revenues | | | |
| Taxation - Net - Note 8 | \$ 18,977,526 | \$ 18,990,520 | \$ 18,625,597 |
| Transportation Parcel Tax - Note 8 | 1,210,200 | 1,208,000 | 1,196,430 |
| Frontage Tax - Note 8 | 2,422,956 | 2,417,435 | 2,395,891 |
| Grants - Schedule 3 | 5,216,754 | 6,906,690 | 1,846,055 |
| Grants - Other | 188,057 | 206,000 | 186,134 |
| Sales of Services | 7,135,252 | 7,094,430 | 7,343,176 |
| Licences, Permits and Fines | 834,915 | 797,255 | 842,439 |
| Rentals, Leases and Franchises | 1,022,172 | 1,038,265 | 1,066,107 |
| Return on Investments | 1,053,431 | 471,920 | 1,777,816 |
| Penalties and Interest | 170,626 | 202,500 | 198,527 |
| Other Revenue from Own Sources | 66,786 | 55,300 | 62,888 |
| Developer and Other Contributions | 616,619 | 1,874,000 | 2,233,115 |
| Gain on Disposal of Capital Assets | 2,617 | - | 245,571 |
| | 38,917,911 | 41,262,315 | 38,019,746 |
| Expenses | | | |
| General Government Services | 5,171,025 | 4,369,645 | 4,932,640 |
| Protective Services | 5,349,008 | 5,823,910 | 5,096,792 |
| Transportation Services | 9,436,811 | 5,937,325 | 9,319,785 |
| Public Health Services | 1,245,794 | 1,520,892 | 1,417,534 |
| Development Services | 1,269,852 | 1,438,465 | 1,304,274 |
| Recreation and Cultural Services | 3,304,696 | 3,442,515 | 3,274,365 |
| Water and Sewer Services | 5,961,966 | 4,307,213 | 5,974,819 |
| | 31,739,152 | 26,839,965 | 31,320,209 |
| Annual Surplus | 7,178,759 | 14,422,350 | 6,699,537 |
| Accumulated Surplus, Beginning of Year | 243,842,078 | 243,842,078 | 237,142,541 |
| Accumulated Surplus, End of Year | \$ 251,020,837 | \$ 258,264,428 | \$ 243,842,078 |

The accompanying summary of significant accounting policies, notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm
Consolidated Statement of Change in Net Financial Assets (Debt)

| For The Year Ended December 31 | 2020 | 2020 | 2019 |
|--|----------------------|---------------|--------------------|
| | Actual | Budget | Actual (Note 1) |
| Annual Surplus | \$ 7,178,759 | \$ 14,422,350 | \$ 6,699,537 |
| Acquisition of Tangible Capital Assets | (5,477,731) | (27,656,743) | (9,277,783) |
| Amortization of Tangible Capital Assets | 7,897,010 | - | 7,651,128 |
| Disposal of Tangible Capital Assets | 2,040 | - | 99,739 |
| | 9,600,078 | (13,234,393) | 5,172,621 |
| Acquisition of Inventories of Supplies | (486,823) | - | (449,612) |
| Acquisition of Prepaid Expenses | (188,099) | - | (29,667) |
| Usage of Inventories of Supplies | 449,612 | - | 562,659 |
| Usage of Prepaid Expenses | 29,667 | - | 16,038 |
| Net Change In Net Financial Assets (Debt) | 9,404,435 | (13,234,393) | 5,272,039 |
| Net Financial Assets, Beginning of Year | 20,085,599 | 20,085,599 | 14,813,560 |
| Net Financial Assets, End of Year | \$ 29,490,034 | \$ 6,851,206 | \$ 20,085,599 |

The accompanying summary of significant accounting policies, notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

**The City of Salmon Arm
Consolidated Statement of Cash Flows**

| For The Year Ended December 31 | 2020 | 2019 |
|--|---------------------|---------------------|
| | | (Note 1) |
| Cash Flows From Operating Activities | | |
| Annual Surplus | \$ 7,178,759 | \$ 6,699,537 |
| Items Not Involving Cash | | |
| Amortization Expense | 7,897,010 | 7,651,128 |
| Developer Contributed Capital Assets | (290,645) | (1,568,179) |
| Gain on Disposal of Capital Assets | (2,617) | (245,571) |
| Changes in Non-Cash Operating Items | | |
| Inventories for Resale | 38,391 | (32,238) |
| Accounts Receivable | (203,874) | 1,083,159 |
| Accounts Payable | 2,166,570 | (675,036) |
| Long Term Liability | 230,732 | - |
| Loan Receivable | - | 4,667 |
| Deferred Revenues | 1,843,142 | 1,664,622 |
| Deposits and Performance Bonds | 104,506 | (799,737) |
| Prepaid Property Taxes and Levies | (181,635) | 303,218 |
| Inventories of Supplies | (37,211) | 113,047 |
| Prepaid Expenses | (158,432) | (13,629) |
| | 18,584,696 | 14,184,988 |
| Cash Flows From Investing Activity | | |
| Increase in Investments | (10,949,138) | (10,859,953) |
| Cash Flows From Capital Activity | | |
| Proceeds on Disposal of Capital Assets | 4,657 | 345,310 |
| Acquisition of Tangible Capital Assets | (5,187,086) | (7,709,604) |
| | (5,182,429) | (7,364,294) |
| Cash Flows From Financing Activities | | |
| Actuarial Adjustments | (573,060) | (847,697) |
| Issuance of Long Term Debt | 845,000 | 6,145,000 |
| Repayment of Long Term Debt | (2,007,896) | (1,316,686) |
| | (1,735,956) | 3,980,617 |
| Increase (Decrease) In Cash During Year | 717,173 | (58,642) |
| Cash, Beginning of Year | 1,284,802 | 1,343,444 |
| Cash, End of Year | \$ 2,001,975 | \$ 1,284,802 |

The accompanying summary of significant accounting policies, notes to consolidated financial statements and schedules are an integral part of these consolidated financial statements.

The City of Salmon Arm Summary of Significant Accounting Policies

December 31, 2020

| | | | | | | | | | | | | | | | |
|---|---|-----------|----------------|-------------------------|---------------|----------|----------------|---------------------------------------|---------------|----------------------|-----------------|------------------------|----------------|-------------------------------|----------------|
| Nature of Business | The City of Salmon Arm (City) is incorporated under the laws of British Columbia and is engaged in the operation of a municipality. | | | | | | | | | | | | | | |
| Basis of Presentation | It is the City's policy to follow Canadian generally accepted accounting principles. The consolidated financial statements include the accounts of all funds of the City. All inter fund transactions have been eliminated. The consolidated statements have been prepared by management using guidelines issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. | | | | | | | | | | | | | | |
| Revenue Recognition | Taxation revenues, net of collections for other governments, are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is provided by the City. | | | | | | | | | | | | | | |
| Expenses | Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred. | | | | | | | | | | | | | | |
| Investments | Investments of \$77,335,118 (2019 - \$66,385,980) are deposited with the Municipal Finance Authority and are held in a money market fund. The interest rate as at December 31, 2020 was approximately 0.85% (2019 – 1.86%). The City holds three \$100,000 Royal Bank debenture bonds due in 2083 with a floating interest rate. All investments are recorded at cost; the fair market value at December 31, 2020 was \$77,635,118 (2019 - \$66,685,980). | | | | | | | | | | | | | | |
| 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. | | | | | | | | | | | | | | |
| Inventories | Inventories are stated at cost. Cost is generally determined on a first-in, first-out basis. Inventories for resale are classified as financial assets. Inventories of supplies are classified as non-financial assets. | | | | | | | | | | | | | | |
| Tangible Capital Assets and Amortization | <p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all cost directly attributable to the acquisition or construction of the tangible capital asset, including transportation, site preparation, design, engineering, and legal fees. Contributed tangible capital assets are recorded at fair value at the time of donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table border="0" style="margin-left: 20px;"> <tr> <td>Buildings</td> <td style="text-align: right;">10 to 50 years</td> </tr> <tr> <td>Machinery and Equipment</td> <td style="text-align: right;">5 to 25 years</td> </tr> <tr> <td>Vehicles</td> <td style="text-align: right;">10 to 25 years</td> </tr> <tr> <td>Information Technology Infrastructure</td> <td style="text-align: right;">3 to 10 years</td> </tr> <tr> <td>Parks Infrastructure</td> <td style="text-align: right;">10 to 100 years</td> </tr> <tr> <td>Utility Infrastructure</td> <td style="text-align: right;">20 to 70 years</td> </tr> <tr> <td>Transportation Infrastructure</td> <td style="text-align: right;">10 to 75 years</td> </tr> </table> | Buildings | 10 to 50 years | Machinery and Equipment | 5 to 25 years | Vehicles | 10 to 25 years | Information Technology Infrastructure | 3 to 10 years | Parks Infrastructure | 10 to 100 years | Utility Infrastructure | 20 to 70 years | Transportation Infrastructure | 10 to 75 years |
| Buildings | 10 to 50 years | | | | | | | | | | | | | | |
| Machinery and Equipment | 5 to 25 years | | | | | | | | | | | | | | |
| Vehicles | 10 to 25 years | | | | | | | | | | | | | | |
| Information Technology Infrastructure | 3 to 10 years | | | | | | | | | | | | | | |
| Parks Infrastructure | 10 to 100 years | | | | | | | | | | | | | | |
| Utility Infrastructure | 20 to 70 years | | | | | | | | | | | | | | |
| Transportation Infrastructure | 10 to 75 years | | | | | | | | | | | | | | |
| Intangible Assets | Intangible assets include works of art and historic assets located throughout City Hall. They are not reflected in these consolidated financial statements. | | | | | | | | | | | | | | |

The City of Salmon Arm
Summary of Significant Accounting Policies

December 31, 2020

| | |
|--|---|
| Long Term Debt | Long term debt is recorded net of any sinking fund balances. Debt charges, including interest and foreign exchange, are charged to current operations. Interest charges are accrued for the period from the date of the last interest payment to the end of the year. |
| Reserves | Reserves for future expenditures represent amounts set aside for future operating and capital expenditures. |
| Grants and Government Transfers | Unrestricted government grants or transfers are recognized as revenue in the year that the grant or transfer is approved by the issuing government. Restricted government transfers, in the way of grants or other transfers, are recognized as revenue in the year in which related expenses are incurred, except where the grant or transfer is received for which the expense has not yet been incurred, then the grant or other transfer is included in deferred revenue. Transfers made to other organizations are expensed in the current year. |
| Deferred Revenue | Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purpose. |
| Budget Figures | The budget figures are from the Annual Budget Bylaw adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by law. |
| Commitments | The City has entered into various agreements and contracts for services for periods ranging from one to five years. |
| Employee Future Benefits | The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred. |
| Contaminated Sites | <p>Effective January 1, 2015, the City adopted the new Public Sector Accounting Standard PS3260 Contaminated Sites. The new standard can be applied retroactively or prospectively, and the City has elected to apply it prospectively.</p> <p>Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.</p> <p>Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the City accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability was recognized as at December 31, 2020.</p> |

The City of Salmon Arm Summary of Significant Accounting Policies

December 31, 2020

Loan Guarantees

The City has guaranteed a loan to assist the Salmon Arm Tennis Club in the financing and construction of an Indoor Tennis Facility. When it is determined that a loss is likely, a provision for loss is recorded. The provision is determined using the best estimates available and taking into consideration the principal amount outstanding, any guaranteed accrued and unpaid interest, any amounts recoverable from the borrower and from the sale of assets pledged as security, and all known circumstances. The provision for loan losses is reviewed by management on an annual basis.

Use of Estimates

The preparation of the consolidated financial statements, in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these financial statements include the valuation of accounts receivable and amortization of tangible capital assets.

**The City of Salmon Arm
Notes to Consolidated Financial Statements**

December 31, 2020

1. Prior Period Adjustment

During the year, the City identified adjustments required in its non-financial assets, as follows:

Inventories of supplies had not been previously included on the Consolidated Statement of Financial Position; instead they were expensed as incurred. As a result, adjustments were required to restate expenses, inventories of supplies and accumulated surplus.

Tangible capital assets were not being capitalized and amortized in accordance with the City's approved capital asset policy. As a result, adjustments were required to restate expenses, tangible capital assets and accumulated surplus.

| | |
|--|-----------------------|
| Accumulated Surplus, beginning of 2019, prior to restatement | \$ 232,686,819 |
| Increase in Accumulated Surplus: | |
| Tangible Capital Assets | \$ 3,893,063 |
| Inventories of Supplies | <u>562,659</u> |
| Total Increase in Accumulated Surplus | <u>4,455,722</u> |
| Accumulated Surplus, beginning of 2019, restated | 237,142,541 |
| | |
| 2019 Annual Surplus, prior to restatement | 6,578,871 |
| Increase (decrease) in 2019 Annual Surplus: | |
| Tangible Capital Assets | 233,713 |
| Inventories of Supplies | <u>(113,047)</u> |
| 2019 Annual Surplus, restated | <u>6,699,537</u> |
| Accumulated Surplus, end of 2019, restated | <u>\$ 243,842,078</u> |

2. Long Term Debt

Future principal requirements, not including sinking fund additions, on existing debt:

| | <u>General Fund</u> | <u>Water Fund</u> | <u>Sewer Fund</u> | <u>Total</u> |
|----------------------|----------------------|---------------------|---------------------|----------------------|
| 2021 | \$ 622,152 | \$ 424,832 | \$ 150,688 | \$ 1,197,672 |
| 2022 | 622,152 | 424,832 | 150,688 | 1,197,672 |
| 2023 | 622,152 | 424,832 | 150,688 | 1,197,672 |
| 2024 | 446,079 | 424,832 | 63,650 | 934,561 |
| 2025 | 446,079 | 424,832 | 63,650 | 934,561 |
| 2026 and thereafter | <u>5,600,167</u> | <u>1,316,267</u> | <u>636,500</u> | <u>7,552,934</u> |
| | 8,358,781 | 3,440,427 | 1,215,864 | 13,015,072 |
| Actuarial Adjustment | <u>7,879,289</u> | <u>2,886,356</u> | <u>871,717</u> | <u>11,637,362</u> |
| Total Long Term Debt | <u>\$ 16,238,070</u> | <u>\$ 6,326,783</u> | <u>\$ 2,087,581</u> | <u>\$ 24,652,434</u> |

3. Contingent Liabilities and Commitments

(a) Pension Liabilities

The City of Salmon Arm and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Continued...

**The City of Salmon Arm
Notes to Consolidated Financial Statements**

December 31, 2020

3. Contingent Liabilities and Commitments - Continued

(a) Pension Liabilities - Continued

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. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

The City of Salmon Arm paid \$655,637 (2019 - \$636,674) for employer contributions while employees contributed \$572,151 (2019 - \$558,781) to the plan in fiscal 2020.

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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

(b) Columbia Shuswap Regional District

Columbia Shuswap Regional District (Regional District) debt is, under the provisions of the Local Government Act, a joint and several liability of the Regional District and each member municipality within the Regional District, including the City of Salmon Arm. The loan agreements with the Regional District and the Municipal Finance Authority provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations with respect to such borrowing, the resulting deficiency becomes a liability of the member municipalities.

(c) Contractual Obligation

The City has entered into a contract with the Shuswap Recreation Society to manage the Recreation and Shaw Centres and is contingently liable for deficits incurred when expenses exceed revenues. The City provides an annual provision for the operation and maintenance of these facilities.

(d) Other

The City is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the consolidated financial statements. Settlement, if any, made with respect to these actions, would be expected to be accounted for as a charge to expenditures in the period in which realization is known.

Continued...

**The City of Salmon Arm
Notes to Consolidated Financial Statements**

December 31, 2020

3. Contingent Liabilities and Commitments - Continued

(e) Equipment Leases

The City is the lessee of a postage machine and computer servers valued at approximately \$103,742 excluding taxes. The lease terms are March 2017 to February 2024. The City has no equity in the leased equipment, and the lease payments are disclosed as operating expenses of the year in which they are paid.

Future annual lease payments are as follows:

| | |
|------|--------|
| 2021 | 17,449 |
| 2022 | 2,873 |
| 2023 | 2,873 |
| 2024 | 479 |

(f) Guarantor Agreement

The City has entered into an agreement to act as a loan guarantor to assist the Salmon Arm Tennis Club in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2020 was \$763,226 (2019 - \$750,000). The loan bears interest at 4.47% (2019 - 4.47%) repayable in monthly instalments of \$4,156. The loan has a term of 25 years and is secured by the assets of the Tennis Club and an indemnity agreement from the City.

(g) Police Contract Negotiations

The City is responsible for the compensation of its police force. Police force compensation is determined through negotiations between the Royal Canadian Mounted Police (RCMP) and the Government of Canada.

On January 1, 2017, the most recent pay package for RCMP members expired. The City anticipates that there will be retroactive compensation paid to RCMP members once a new agreement is signed. In anticipation for this future liability, the City has allocated funds to a reserve account. A reasonable estimate of the liability cannot be determined at the date of the financial statements.

(h) Modification of Licence Agreements

During the year, the City entered into Modification of Licence Agreements with fourteen (14) Campsite Licensees occupying the City owned property at 4203 78 Avenue NE. This agreement modifies the existing License for Use and Occupation Agreements such that upon expiration of the License Agreements, the Licensee shall surrender the Campsite to the City and the City shall carry out the work necessary to remove the cabin and any other improvements from the lands for a specified fee.

As a result, the City anticipates that there will be restoration work expenditures following the expiration of the License Agreements, October 31, 2021. A reasonable estimate of the liability cannot be made at the date of the financial statements.

4. Loan Receivable

The City has entered into a loan agreement with the Salmon Arm Tennis Club to assist in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2020 was \$170,333 (2019 - \$170,333). The loan bears interest at 0%, with monthly payments of \$583 commencing September 2021 until December 2045.

**The City of Salmon Arm
Notes to Consolidated Financial Statements**

December 31, 2020

5. Reserves – Municipal Finance Authority

The City issues the majority of its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld as cash deposits by the Municipal Finance Authority as a Debt Reserve Fund. The City also executes demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature.

The details of the cash deposits and demand notes at the year end are as follows:

| | Demand Notes | Cash Deposits | Total |
|----------------------|-------------------|-------------------|---------------------|
| General Fund | \$ 488,419 | \$ 310,650 | \$ 799,069 |
| Water Fund | 369,407 | 182,318 | 551,725 |
| Sewer Fund | 132,947 | 72,049 | 204,996 |
| Total Long Term Debt | <u>\$ 990,773</u> | <u>\$ 565,017</u> | <u>\$ 1,555,790</u> |

6. Deferred Revenues

| | December 31, 2019 | Inflow | Outflow | Interest | December 31, 2020 |
|---------------------------|----------------------|---------------------|---------------------|-------------------|----------------------|
| BC Buildings Corporation | \$ 1,000,000 | \$ - | \$ - | \$ - | \$ 1,000,000 |
| Community Works Fund | 4,738,594 | 800,760 | (395,937) | 40,278 | 5,183,695 |
| Development Cost Charges | 10,165,480 | 990,352 | - | 89,468 | 11,245,300 |
| Recycling User Fee Rebate | 237,611 | 241,469 | (237,611) | - | 241,469 |
| Unspent Grant Funding | 4,115 | 112,500 | (4,115) | - | 112,500 |
| Other | 104,270 | 310,248 | (104,270) | - | 310,248 |
| Total Deferred Revenues | <u>\$ 16,250,070</u> | <u>\$ 2,455,329</u> | <u>\$ (741,933)</u> | <u>\$ 129,746</u> | <u>\$ 18,093,212</u> |

Included in deferred revenue is a prepayment amount of \$1,000,000 received from British Columbia Buildings Corporation for future rental of the Law Courts facility to be used for annual rent payments commencing in 2021. Deferred revenue amounts of \$5,183,695 (2019 - 4,738,594) have been received under the Community Works Fund for future restricted capital projects.

**The City of Salmon Arm
Notes to Consolidated Financial Statements**

December 31, 2020

7. Budget

The City of Salmon Arm 2020 to 2024 Financial Plan Bylaw No. 4391 (Financial Plan Bylaw) was adopted by Council on April 14, 2020. The Financial Plan Bylaw was prepared utilizing a budget method consistent with Local Governments while the actual operating results have been prepared in accordance with the requirements of the Public Sector Accounting Standards (PSAB). The Financial Plan Bylaw was prepared on a modified accrual basis while the actual operating results utilizing Public Sector Accounting Standards requirements were prepared on a full accrual basis. The Financial Plan Bylaw projected the use of Reserve Fund transfers and prior year surpluses to balance the Financial Plan. Public Sector Accounting Standards requires that the actual operating results capitalize all tangible capital expenditures and that an amortization expense for tangible capital assets be included. The Financial Plan Bylaw expenses all tangible capital expenditures as opposed to including an amortization expense. As a result, the Financial Plan Bylaw figures presented in the Statements of Operations and Change in Net Financial Debt represent the Financial Plan Bylaw adopted by Council on April 14, 2020 with adjustments as follows:

| | | |
|---|----|---------------------|
| Financial Plan Bylaw | \$ | - |
| Add: | | |
| Capital Grants (Schedule 3) | | 6,181,600 |
| Capital Expenditures | | 27,656,743 |
| Debt Repayment | | 1,162,910 |
| Transfer to Reserve Accounts | | 2,326,865 |
| Transfer to Reserve Funds | | 1,195,200 |
| Transfer from DCC Reserve Funds | | 604,000 |
| Other Developer Contributions | | 1,270,000 |
| Less: | | |
| Transfer from Prior Year Surplus | | (1,054,105) |
| Transfer from Reserve Accounts | | (982,350) |
| Transfer to Capital Reserve Accounts | | <u>(23,938,513)</u> |
| Budget Surplus as per Statement of Operations | \$ | <u>14,422,350</u> |

8. Taxation

Taxation revenue comprises the following amounts raised less transfers to other governments:

| | 2020 | 2019 |
|--|----------------------|----------------------|
| Taxes Collected: | | |
| Property Taxes | \$ 29,775,302 | \$ 29,856,918 |
| Transportation Parcel Tax | 1,210,200 | 1,196,430 |
| Frontage Tax - Water | 1,461,983 | 1,449,532 |
| Frontage Tax - Sewer | 960,973 | 946,359 |
| 1% Utility Tax | 316,543 | 315,530 |
| | 33,725,001 | 33,764,769 |
| Collected for Other Governments | | |
| Province of BC (School Taxes) | 7,332,380 | 8,166,378 |
| BC Assessment Authority | 204,007 | 183,646 |
| Regional Hospital District | 1,537,453 | 1,240,929 |
| Columbia Shuswap Regional District | 1,086,349 | 1,017,941 |
| Okanagan Regional Library | 764,990 | 757,820 |
| Municipal Finance Authority | 910 | 870 |
| Downtown Improvement Area | 188,230 | 179,267 |
| | 11,114,319 | 11,546,851 |
| Net Taxes Available for Municipal Purposes | \$ 22,610,682 | \$ 22,217,918 |

The City of Salmon Arm
Notes to Consolidated Financial Statements

December 31, 2020

9. Trust Funds

In accordance with PSAB recommendations for local governments, trust funds are not included in the City's Consolidated Financial Statements. The City administers a Cemetery Maintenance Fund for the perpetual care and maintenance of the City owned and operated cemeteries. As at December 31, 2020, the Trust Fund balance is \$415,265 (2019 - \$391,502) (Schedule 4).

10. Fire Training Centre Function

The City participates jointly with the Columbia Shuswap Regional District and other local governments to construct a Fire Training Centre. This function is not reflected in the financial statements of the City.

| | |
|---------------------------------|-------------------|
| Investments | \$ 98,691 |
| Due from the City of Salmon Arm | 84,229 |
| Capital Assets | <u>577,952</u> |
| Total Assets | <u>\$ 760,872</u> |
| | |
| Operating Surplus | \$ 182,920 |
| Equity in Capital Assets | <u>577,952</u> |
| Total Liabilities | <u>\$ 760,872</u> |

11. Segment Reporting

The City of Salmon Arm is a municipal government that provides a range of services to its citizens. The City is governed by an elected Council comprised of a Mayor and six (6) Councillors whose authority is set out in the Community Charter and Local Government Act. For management reporting purposes, the City's operations and activities are organized and reported by Fund. The General Fund has been further segmented for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

City services are provided by departments and their activities are reported in these funds. Certain departments have been separately disclosed in the segmented information, along with the services they provide, as follows:

Continued...

The City of Salmon Arm
Notes to Consolidated Financial Statements

December 31, 2020

11. Segment Reporting - Continued

General Government Services – Legislative Services, Information Services, Customer Service, Financial Services and Human Resources. Legislative Services is responsible for the statutory obligations under the Community Charter and Local Government Act and provides the legal and administrative support to City Council. It is responsible for recording resolutions, decisions and minutes of Council to allow the direction and policies of Council to be carried out. Legislative Services manages the City's property and liability insurance portfolio, freedom of information inquiries, municipal elections and referendums, the corporate document management system, City Policy Manual and completion of the City's Annual Report and Civic Calendar. The role of the Information Services is to provide reliable, stable and current technology systems to all City departments. Information Services maintains all servers, workstations, firewalls, printers, digital cameras, scanners, telephones, cellular phones, pagers, security systems, Geographic Information Systems (GIS) and the corporate website. Customer Service recognizes the importance of its customers and endeavours to provide quality services in a timely and efficient manner to reflect the growing and changing needs of our citizens. Customer Service representatives provide information and service in building inspection, cash payments, taxation, transit, pet and business licensing, etc. Financial Services provides financial expertise, information, guidance and advice on day-to-day operational matters to internal and external customers. Financial Services develops financial policies and procedures which assist Council and guide staff in shaping the direction of the City. Financial Services provides accurate and full disclosure on the financial affairs of the City as set out in the Community Charter and Local Government Act. This information includes annual municipal reporting forms, operational and capital budgets, setting of annual property tax and water and sewer rates, annual financial statements, long term financial plan, investments, public bodies report, etc. Long term growth management strategies such as the Long Term Financial Plan, Five (5) Year Capital Plan, and the Long Term Equipment and Infrastructure Replacement Plans are developed and implemented to better plan for our community. Human Resources is responsible for all issues surrounding the employees of the City of Salmon Arm. It represents the City in union negotiations and is key in setting human resource policies and procedures. Human Resources encourages and coordinates staff development, training and recognition programs to better and more efficiently deliver services to the community and plays a major role in recruiting, transferring, promoting and retaining the best people for the job.

Protective Services – Fire Prevention and Suppression, Police Protection, Bylaw Enforcement, Building Inspection, Business Licensing and Animal Control Services. The City provides community-based fire prevention and suppression services and responds to a geographical area of 84 square miles. It provides fire protection services to approximately 8,550 properties (residential, commercial, etc.) and inspection services to approximately 850 buildings. Fire Prevention and Suppression encompasses a Rescue Team designed, pursuant to WorkSafe BC, to provide rescue services to municipal employees who work in areas where identifiable hazards are present and manages the City Safety Program. The Police Department strives to provide a quality service to the community which includes calls for service, proactive enforcement and interaction with the community to gain insight into community concerns so that policing priorities may be set. Salmon Arm is policed by the Royal Canadian Mounted Police. Bylaw Enforcement encompasses all matters relating to the enforcement of City bylaws, and for the maintenance and accuracy of all files on matters relating to court actions on behalf of the City of Salmon Arm. Building Inspection addresses residential, commercial, institutional and industrial building construction within the City. The focus is to provide the public and the building industry with high quality service such that the structural integrity of the buildings constructed conform to the requirements of the BC Building Code and zoning, building and servicing bylaws and are safe for their intended purpose. Business Licensing is responsible for reviewing and issuing business licenses within the City. Business applications and premises are inspected to ensure that they are safe for the public and that they meet zoning bylaw requirements. Animal Control enforces the Animal Control regulations within the City and the issuance of dog licenses.

Continued...

The City of Salmon Arm
Notes to Consolidated Financial Statements

December 31, 2020

11. Segment Reporting - Continued

Transportation Services – This function is comprised of engineering, public works (transit, roadway systems, bridge repair, storm drainage, sidewalks, boulevards, street lighting, airport, downtown parking, etc.) utilities, parks, municipal facilities, marina/wharf, garage, vehicle and equipment fleet and cemeteries and provides a broad spectrum of services to the community. These services are provided in a participative fashion between City Council, the public, management and employees in a safe, effective, efficient and financially responsible manner. Transportation Services is responsible for the maintenance of over 226 kilometers (excluding the Trans Canada Highway and Highway 97B) of roadway, 69 kilometres of sidewalk, as well as, 126 kilometers of storm sewer complete with retention ponds and currently operates a +/- 70 unit municipal fleet of major vehicles and equipment.

Environmental and Development Services – Development Services, Community Development Services and Public Health and Welfare Services. Development Services provides community planning, subdivision and development application facilitation. Taking into account various Council approved policies, bylaws, and procedures, it provides Council with professional advice on land use planning issues and is the coordinating department for the processing and approval of development applications to meet the community's objectives. It also provides advice to other City departments, community and business groups, developers, property owners, and citizens. It is responsible for the creation and recommendation of bylaws, policies and procedures to maintain the community's quality of life. Community Development Services provides services regarding environmental concerns, heritage matters, etc. Public Health and Welfare Services provides cemetery services to the citizens of the City.

Recreational and Cultural Services – Recreational and Leisure Services (Multi-Use Facility, Auditorium and Pool), and Park and Wharf Services. Recreational and Leisure Services' mandate is to provide diverse family and adult oriented recreational activities with a view of promoting active living and quality of life in the community. The City strives to maximize the productivity of resources, to provide good cost recovery of the taxpayers' dollars and provide affordable recreational opportunities for the citizens of Salmon Arm. The Multi-Use Facility promotes community events and concerts, in addition to, hockey, ringette, speed skating, and figure skating. The Recreation Centre provides a wide range of services from pool and facility rentals, racquetball and squash, weight training, programming, etc. to promote the health and wellness of our citizens. Recreational programming such as scuba diving, summer French and music lessons, canoeing, babysitter courses, and summer soccer camps are all components of this function. The Parks and Wharf Services is proud to promote community pride in parks through the use and enjoyment of our many green spaces and natural amenities through carefully managed maintenance and improvement of park facilities. It projects a positive impression for citizens and visitors by ensuring that facilities, parks and playing fields are safe, clean and well-maintained while at the same time protecting the environment for future generations. The City maintains seven hundred and twenty (720) hectares of park land; this includes developed, natural, and passive parks, marinas, wharves, beaches, walking trails, lawn bowling, horseshoes and playing fields. Parks receive ongoing maintenance such as turf management, hanging flower baskets, downtown flower planters, irrigation systems, general park maintenance (bathrooms, garbage control), parkland design and construction, special events and sports field construction. The City works closely with community groups to achieve localized objectives such as neighbourhood parks where the efforts and contributions of local business owners, property owners, volunteers and the City come together to enhance and build new parks.

Continued...

The City of Salmon Arm Notes to Consolidated Financial Statements

December 31, 2020

11. Segment Reporting - Continued

Utilities

The Utilities function, through a schedule of systematic new improvements, upgrades and replacements, strives to maintain and improve the efficient delivery and the high quality of water and sanitary sewer services to the community. It plays an integral role in maintaining the health, safety and well-being of the community.

The Water and Sewer Utilities are self-liquidating funds which must provide for their own revenues through fees, taxes and other charges to support the expenditures required to operate and maintain infrastructure into the future.

Water Utility Services – This Utility function provides for the delivery of safe drinking water to the citizens of Salmon Arm. The municipal water system consists of two main raw water sources, chlorine treatment systems for the water sources and an extensive water pumping, distribution and storage system. The City's water supply is by way of three (3) sources: East Canoe Creek at Metford Dam, Shuswap Lake at Canoe Beach and a minor water supply from Rumball Creek for irrigation at the Mt. Ida Cemetery. Treatment of the water sources (except Rumball Creek) is by primary disinfection with chlorine. The distribution system includes approximately 204 km of watermain varying in diameter from 100mm to 1000mm. The City waterworks system provides quality water through a gravity and pump system. The primary water sources are from Shuswap Lake – 80% and East Canoe Creek – 20%. The waterworks system is relatively complex and is comprised of eight (8) zones, eight hundred and twenty nine (829) hydrants, seven (7) pumping stations, fourteen (14) reservoirs, and one (1) dam with a total storage capacity of 33,144 cubic metres and over 6,100 connections. The treatment process utilizes chlorination for the purposes of disinfection. The water supply consistently meets the Canadian Drinking Water Guidelines, BC Drinking Water Protection Act and the Safe Drinking Water Regulations.

Sewer Utility Services – The City provides effective collection and treatment of waste water to meet the guidelines set by the Ministry of Environment to protect the public and the environment. It operates both the treatment plant and seven (7) lift stations safely and at optimum efficiency. The sanitary sewer system has approximately 126 kilometers of mainline and 5,185 service connections.

The accounting policies used in these segments are consistent with those followed in preparation of the consolidated financial statements as disclosed in our Basis of Presentation Policy. For additional information, see the Consolidated Schedule of Segment Disclosure (Schedule 5).

12. Subsequent Events

The impact of COVID-19 in Canada and on the global economy is still uncertain. As the impacts of COVID-19 continue, there could be further impact on the City, its citizens, employees, suppliers and other third party business associates that could impact the timing and amounts realized on the City's assets and future ability to deliver services and projects.

At this time, the full potential impact of COVID-19 on the City is not known. Given the dynamic nature of these circumstances, the related financial impact cannot be reasonably estimated at this time. The City's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from various levels of government.

The City will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens. The City will use COVID-19 Safe Restart Grant funding when it is appropriate (see Schedule 6).

**The City of Salmon Arm
Schedule 1 - Long Term Debt**

As at December 31

| Bylaw # | Description | Maturity Date | Interest Rate | Balance Outstanding 2020 | Balance Outstanding 2019 |
|---------------------|-------------------------------|------------------|------------------|--------------------------------|--------------------------------|
| General Fund | | | | | |
| 3184 | Fire Hall and Little Mountain | 2022 | 2.250 | \$ 65,556 | \$ 85,361 |
| 3334 | City Hall and Law Courts | 2034 | 5.950 | 6,374,816 | 6,684,595 |
| 3479 | City Hall and Law Courts | 2035 | 1.750 | 471,159 | 491,917 |
| 3569 | Blackburn Park | 2027 | 2.250 | 139,421 | 156,394 |
| 3758 | Underpass 20/21 Street | 2029 | 2.250 | 1,367,762 | 1,492,035 |
| 4048 | New Cemetery | 2040 | 2.750 | 879,570 | 909,621 |
| 4072 | Blackburn Park Improvement | 2035 | 2.750 | 405,189 | 425,478 |
| 4244 | Drainage Improvements | 2023 | P - 1.0 | 501,000 | 668,000 |
| 4289 | Airport Taxiway Charlie | 2040 | 1.990 | 845,000 | 845,000 |
| 4500 | Ross Street Underpass | 2049 | 2.240 | 5,188,598 | 5,300,000 |
| | | | | \$ 16,238,071 | \$ 17,058,401 |
| Water Fund | | | | | |
| 3458 | Water | 2025 | 1.750 | \$ 200,577 | \$ 229,654 |
| 3551 | Water | 2026 | 1.750 | 410,798 | 470,348 |
| 3576 | Water | 2028 | 2.650 | 4,458,664 | 4,923,943 |
| 3816 | Water | 2030 | 1.280 | 1,217,500 | 1,315,007 |
| 3793 | Water | 2041 | 3.250 | 39,243 | 40,423 |
| | | | | \$ 6,326,782 | \$ 6,979,375 |
| Sewer Fund | | | | | |
| 3207 | Sewer | 2023 | 2.250 | \$ 628,902 | 818,895 |
| 4051 | Sewer | 2035 | 2.750 | 1,458,679 | 1,531,719 |
| | | | | \$ 2,087,581 | \$ 2,350,614 |
| | | | | \$ 24,652,434 | \$ 26,388,390 |

The gross interest paid relating to the above noted debt was \$1,304,747 (2019 - \$1,335,864).

The City of Salmon Arm
Schedule 2 - Consolidated Schedule of Tangible Capital Assets

| As at December 31 | 2020 | 2019 |
|---------------------------------------|-----------------------|-----------------------|
| | | (Note 1) |
| General Fund | | |
| Land | \$ 40,190,839 | \$ 40,190,839 |
| Buildings | 22,639,875 | 23,365,716 |
| Machinery and Equipment | 4,152,147 | 3,361,561 |
| Vehicles | 2,503,211 | 2,733,714 |
| Information Technology Infrastructure | 280,128 | 301,909 |
| Parks Infrastructure | 5,474,872 | 5,643,325 |
| Utility Infrastructure | 13,582,526 | 13,891,029 |
| Transportation Infrastructure | 68,391,015 | 69,497,704 |
| Work in Progress | 1,528,473 | 1,539,934 |
| | \$ 158,743,086 | \$ 160,525,731 |
| Water Fund | | |
| Buildings | \$ 12,822,056 | \$ 13,148,022 |
| Machinery and Equipment | 1,437,434 | 1,405,835 |
| Information Technology Infrastructure | 114,203 | 128,213 |
| Utility Infrastructure | 20,734,662 | 20,532,709 |
| Work in Progress | 189,314 | 199,525 |
| | \$ 35,297,669 | \$ 35,414,304 |
| Sewer Fund | | |
| Buildings | \$ 13,215,018 | \$ 13,549,809 |
| Machinery and Equipment | 138,691 | 156,080 |
| Information Technology Infrastructure | 39,230 | 45,498 |
| Utility Infrastructure | 13,267,513 | 13,573,429 |
| Work in Progress | 154,674 | 12,349 |
| | \$ 26,815,126 | \$ 27,337,165 |
| | \$ 220,855,881 | \$ 223,277,200 |

The City of Salmon Arm
Schedule 2 - Consolidated Schedule of Tangible Capital Assets - Continued

| | For The Year Ended December 31 | | | | | | | | | | 2020 Total |
|---------------------------------------|--------------------------------|---------------|----------------------------|--------------|---|-------------------------|---------------------------|----------------------------------|---------------------|----|----------------|
| | Land | Buildings | Machinery and Equipment | Vehicles | Information Technology Infrastructure | Parks Infrastructure | Utility Infrastructure | Transportation Infrastructure | Work In Progress | | |
| Cost | | | | | | | | | | | |
| Balance, Beginning of Year | \$ 40,190,839 | \$ 74,548,809 | \$ 8,386,862 | \$ 5,620,027 | \$ 1,847,723 | \$ 11,234,458 | \$ 74,417,769 | \$ 129,528,999 | \$ 1,751,808 | \$ | \$ 347,527,284 |
| Additions | - | 163,294 | 1,329,442 | 87,871 | 38,580 | 127,052 | 843,756 | 2,395,945 | 491,791 | - | 5,477,731 |
| Work In Progress Completed | - | - | 14,600 | - | (10,197) | - | 10,211 | 346,327 | (371,138) | - | - |
| Disposals | - | - | (28,208) | (25,730) | - | - | - | - | - | - | (64,135) |
| Balance, End of Year | 40,190,839 | 74,712,103 | 9,702,696 | 5,682,168 | 1,876,106 | 11,361,510 | 75,271,726 | 132,271,271 | 1,872,461 | - | 352,940,880 |
| Accumulated Amortization | | | | | | | | | | | |
| Balance, Beginning of Year | - | 24,485,262 | 3,463,386 | 2,886,313 | 1,372,103 | 5,591,133 | 26,420,592 | 60,031,295 | - | - | 124,250,084 |
| Amortization | - | 1,549,892 | 539,246 | 318,374 | 78,599 | 295,505 | 1,266,433 | 3,848,961 | - | - | 7,897,010 |
| Disposals | - | - | (28,208) | (25,730) | (8,157) | - | - | - | - | - | (62,095) |
| Balance, End of Year | - | 26,035,154 | 3,974,424 | 3,178,957 | 1,442,545 | 5,886,638 | 27,687,025 | 63,880,256 | - | - | 132,084,999 |
| Net Book Value, End of Year | \$ 40,190,839 | \$ 48,676,949 | \$ 5,728,272 | \$ 2,503,211 | \$ 433,561 | \$ 5,474,872 | \$ 47,584,701 | \$ 68,391,015 | \$ 1,872,461 | \$ | \$ 220,855,881 |
| | | | | | | | | | | | |
| For The Year Ended December 31 | | | | | | | | | | | |
| Land | | | | | | | | | | | |
| Buildings | | | | | | | | | | | |
| Machinery and Equipment | | | | | | | | | | | |
| Vehicles | | | | | | | | | | | |
| Information Technology Infrastructure | | | | | | | | | | | |
| Parks Infrastructure | | | | | | | | | | | |
| Utility Infrastructure | | | | | | | | | | | |
| Transportation Infrastructure | | | | | | | | | | | |
| Work In Progress | | | | | | | | | | | |
| 2019 Total (Note 1) | | | | | | | | | | | |
| Cost | | | | | | | | | | | |
| Balance, Beginning of Year | \$ 39,439,590 | \$ 74,316,981 | \$ 7,287,168 | \$ 5,499,230 | \$ 1,797,858 | \$ 11,011,317 | \$ 73,725,566 | \$ 126,360,072 | \$ 1,631,930 | \$ | \$ 339,437,782 |
| Prior Period Adjustment (Note 1) | - | (259,275) | (359,054) | - | (44,897) | (141,728) | (48,524) | (958,831) | - | - | (180,379) |
| Balance, Beginning of Year (Restated) | 39,439,590 | 74,057,706 | 6,928,114 | 5,499,230 | 1,752,961 | 10,869,589 | 73,677,042 | 125,401,241 | 1,631,930 | - | 339,257,403 |
| Additions | 751,251 | 481,470 | 1,890,999 | 258,755 | 128,602 | 314,455 | 735,808 | 4,118,013 | 598,529 | - | 9,277,782 |
| Work In Progress Completed | - | 9,633 | 359,054 | - | 44,896 | 50,414 | 4,909 | 9,745 | (478,651) | - | - |
| Disposals | (2) | - | (791,205) | (137,958) | (78,736) | - | - | - | - | - | (1,007,901) |
| Balance, End of Year | 40,190,839 | 74,548,809 | 8,386,862 | 5,620,027 | 1,847,723 | 11,234,458 | 74,417,759 | 129,528,999 | 1,751,808 | - | 347,527,284 |
| Accumulated Amortization | | | | | | | | | | | |
| Balance, Beginning of Year | - | 23,750,009 | 3,942,136 | 2,860,572 | 1,413,495 | 5,507,762 | 25,881,672 | 56,224,915 | - | - | 121,580,561 |
| Prior Period Adjustment (Note 1) | - | (804,566) | (228,283) | (164,150) | (40,185) | (208,678) | (715,111) | (1,912,469) | - | - | (4,073,442) |
| Balance, Beginning of Year (Restated) | - | 22,945,443 | 3,713,853 | 2,696,422 | 1,373,310 | 5,299,084 | 25,166,561 | 56,312,446 | - | - | 117,507,119 |
| Amortization | - | 1,539,819 | 446,511 | 322,339 | 77,529 | 292,049 | 1,254,031 | 3,718,849 | - | - | 7,651,127 |
| Disposals | - | - | (696,978) | (132,448) | (78,736) | - | - | - | - | - | (908,162) |
| Balance, End of Year | - | 24,485,262 | 3,463,386 | 2,886,313 | 1,372,103 | 5,591,133 | 26,420,592 | 60,031,295 | - | - | 124,250,084 |
| Net Book Value, End of Year | \$ 40,190,839 | \$ 50,063,547 | \$ 4,923,476 | \$ 2,733,714 | \$ 475,620 | \$ 5,643,325 | \$ 47,997,167 | \$ 69,497,704 | \$ 1,751,808 | \$ | \$ 223,277,200 |

Tangible capital assets that are either under construction or being developed are included in Work In Progress. Tangible capital assets that were contributed by developers for various infrastructure projects were \$290,645 (2019 - \$1,568,179). Due to the age of some City-owned lands such as parklands and land beneath roads and sidewalks, a nominal value \$1.00 has been assigned. Interest capitalized in the year was Nil (2019 - Nil).

The City of Salmon Arm
Schedule 3 - Grants From Federal and Provincial Governments

| For The Year Ended December 31 | 2020 | 2020 | 2019 |
|---|---------------------|---------------------|---------------------|
| | Actual | Budget | Actual |
| General Fund - Grants in Lieu of Taxes | | | |
| Federal Government | \$ 15,642 | \$ 17,500 | \$ 17,303 |
| Province of British Columbia | 26,416 | 27,000 | 26,739 |
| Provincial Government Agencies | 85,099 | 84,600 | 84,673 |
| | \$ 127,157 | \$ 129,100 | \$ 128,715 |
| General Fund - Current Operating Grants | | | |
| Province of British Columbia | | | |
| Arterial Street Lighting | \$ 3,076 | \$ 3,100 | \$ 3,846 |
| Municipal Regional District Tax | 150,692 | 200,000 | 255,582 |
| Small Communities Protection | 191,566 | 190,000 | 196,088 |
| Traffic Fine Revenue Sharing | 167,891 | 167,890 | 150,798 |
| Community Child Care Grant | 10,135 | 10,000 | 14,635 |
| Food Hub Feasibility Grant | 14,000 | - | 35,000 |
| Crosswalk Safety Grant | 14,977 | 15,000 | - |
| COVID-19 Safe Restart Grant (Schedule 6) | 3,598,000 | - | - |
| Food Hub Grant | 250,000 | - | - |
| Safety Provincial Emergency Preparedness | - | - | 15,188 |
| Police Wages Subsidy | - | - | 10,836 |
| | \$ 4,400,337 | \$ 585,990 | \$ 681,973 |
| Water Fund - Operating Grants | | | |
| Province of British Columbia | | | |
| Infrastructure Planning Grant | \$ - | \$ 10,000 | \$ - |
| General Fund - Capital Grants | | | |
| Federal Government and Province of British Columbia | | | |
| Community Works Fund | \$ 395,937 | \$ 4,011,600 | \$ 963,612 |
| BC Air Access Program | 293,323 | 1,645,000 | 71,755 |
| Transport Canada | - | 425,000 | - |
| BC Rural Dividend | - | 100,000 | - |
| | \$ 689,260 | \$ 6,181,600 | \$ 1,035,367 |
| Total Operating Grants | \$ 4,527,494 | \$ 725,090 | \$ 810,688 |
| Total Capital Grants | 689,260 | 6,181,600 | 1,035,367 |
| Total Grants | \$ 5,216,754 | \$ 6,906,690 | \$ 1,846,055 |
| Total Federal Grants | \$ 213,611 | \$ 2,448,300 | \$ 499,109 |
| Total Provincial Grants | 5,003,143 | 4,458,390 | 1,346,946 |
| Total Grants | \$ 5,216,754 | \$ 6,906,690 | \$ 1,846,055 |

The City of Salmon Arm
Schedule 4 - Trust and Reserve Funds Statements
Balance Sheet

| As at December 31 | 2020 | 2019 |
|--|----------------------|----------------------|
| Assets | | |
| Trust Funds | | |
| Cash and Investments | \$ 415,265 | \$ 391,502 |
| Reserve Funds | | |
| Restricted Cash and Investments | 22,592,962 | 20,527,440 |
| | \$ 23,008,227 | \$ 20,918,942 |
| Liabilities | | |
| Trust Funds | | |
| Fund Balances | | |
| Perpetual Care | \$ 410,933 | \$ 387,207 |
| Klahani Park Playground Equipment | 4,332 | 4,295 |
| | 415,265 | 391,502 |
| Reserve Funds | | |
| Development Cost Charge Reserve Funds - Note 5 | 11,245,301 | 10,165,481 |
| Other Statutory Reserve Funds | 11,347,661 | 10,361,959 |
| | 22,592,962 | 20,527,440 |
| | \$ 23,008,227 | \$ 20,918,942 |

The City of Salmon Arm
Schedule 4 - Trust and Reserve Funds Statements - Continued
Transactions

| For The Year Ended December 31 | 2019 | Interest | Contributions | Inter-Fund Transfers | Expenditures | 2020 |
|--|----------------------|-------------------|---------------------|-------------------------|---------------------|----------------------|
| Trust Funds | | | | | | |
| Perpetual Care | \$ 387,207 | \$ 3,348 | \$ 20,378 | \$ - | \$ - | \$ 410,933 |
| Klahani Playground Equipment | 4,295 | 37 | - | - | - | 4,332 |
| Total Trust Funds | <u>391,502</u> | <u>3,385</u> | <u>20,378</u> | <u>-</u> | <u>-</u> | <u>415,265</u> |
| Reserve Funds | | | | | | |
| Development Cost Charge - Sewer | 2,967,762 | 27,856 | 319,296 | - | - | 3,314,914 |
| Development Cost Charge - Water | 3,162,130 | 26,135 | 293,009 | - | - | 3,481,274 |
| Development Cost Charge - Drainage | 1,791,915 | 15,707 | 133,177 | - | - | 1,940,799 |
| Development Cost Charge - Parks | 492,192 | 4,350 | 73,102 | - | - | 569,644 |
| Development Cost Charge - Highways | 1,664,852 | 14,670 | 171,768 | - | - | 1,851,290 |
| Development Cost Charge - Underpass | 86,630 | 750 | - | - | - | 87,380 |
| Total Development Cost Charges | <u>10,165,481</u> | <u>89,468</u> | <u>990,352</u> | <u>-</u> | <u>-</u> | <u>11,245,301</u> |
| Equipment Replacement | 2,344,411 | 20,270 | - | 477,030 | (486,689) | 2,355,022 |
| General Capital | 568,746 | 5,156 | 43,251 | 50,000 | - | 667,153 |
| Fire Department Building and Equipment | 288,243 | 2,492 | - | 25,000 | (18,468) | 297,267 |
| Emergency Apparatus | 1,201,942 | 10,392 | - | 320,500 | - | 1,532,834 |
| Police Vehicle Replacement | 250,685 | 2,168 | - | 60,000 | (51,328) | 261,525 |
| Landfill Site Repurchase | 226,392 | 1,958 | - | - | - | 228,350 |
| Cemetery Development | 158,344 | 1,369 | - | - | - | 159,713 |
| Water Major Maintenance | 1,038,710 | 9,147 | 23,209 | 240,000 | - | 1,311,066 |
| Sewer Major Maintenance | 2,988,432 | 25,840 | - | 176,100 | - | 3,190,372 |
| Community Centre Major Maintenance | 686,116 | 5,932 | - | 35,000 | - | 727,048 |
| Cemetery Columbarium | 73,295 | 634 | - | - | - | 73,929 |
| Parks Development | 536,643 | 4,645 | 5,937 | 25,000 | (28,843) | 543,382 |
| Total Other Statutory Reserves | <u>10,361,959</u> | <u>90,003</u> | <u>72,397</u> | <u>1,408,630</u> | <u>(585,328)</u> | <u>11,347,661</u> |
| Total Reserve Funds | <u>20,527,440</u> | <u>179,471</u> | <u>1,062,749</u> | <u>1,408,630</u> | <u>(585,328)</u> | <u>22,592,962</u> |
| | <u>\$ 20,918,942</u> | <u>\$ 182,856</u> | <u>\$ 1,083,127</u> | <u>\$ 1,408,630</u> | <u>\$ (585,328)</u> | <u>\$ 23,008,227</u> |

Schedule 5 - Consolidated Schedule of Segment Disclosure
The City of Salmon Arm

| For The Year Ended December 31 | General Government Services | Protective Services | Transportation Services | Environmental Development Services | Recreation and Cultural Services | | | Water Utility Services | Elimination Entries | 2020 Total |
|-------------------------------------|-----------------------------|-----------------------|-------------------------|------------------------------------|----------------------------------|------------------------|---------------------|------------------------|---------------------|---------------|
| | | | | | Recreation and Cultural Services | Water Utility Services | Elimination Entries | | | |
| Revenue | | | | | | | | | | |
| Taxation | \$ 18,977,526 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,977,526 |
| Transportation Parcel Tax | - | - | 1,210,200 | - | - | - | - | - | - | 1,210,200 |
| Frontage Tax | - | - | - | - | - | - | 1,461,983 | - | - | 2,422,956 |
| Grants | 4,527,494 | - | 807,870 | 2,250 | 67,197 | - | - | - | - | 5,404,811 |
| Sales of Service | 73,884 | 97,486 | 1,172,539 | 1,068,359 | 754,025 | 2,176,212 | 2,658,397 | (865,650) | 7,135,252 | |
| Licenses, Permits, Fines, Franchise | 1,388,814 | 903,543 | 28,764 | 110,898 | 145,782 | 22,000 | 1,350 | (744,064) | 1,857,087 | |
| Return on Investment | 765,949 | 15,052 | 20,271 | 3,960 | 10,578 | 188,443 | 286,590 | - | 1,290,843 | |
| Other Contributions | 328,482 | - | 128,531 | - | 15,668 | 71,575 | 72,363 | - | 616,619 | |
| Gain on Disposal of Capital Assets | (434) | - | 3,051 | - | - | - | - | - | 2,617 | |
| Total Revenue | 26,061,715 | 1,016,081 | 3,371,226 | 1,185,467 | 993,250 | 3,419,203 | 4,480,683 | (1,609,714) | 38,917,911 | |
| Expenses | | | | | | | | | | |
| Wages and Benefits | 2,232,364 | 1,535,349 | 1,743,203 | 670,681 | 1,598,474 | 756,602 | 976,805 | - | 9,513,478 | |
| Insurance | 202,618 | 24,831 | 108,672 | 104 | 52,253 | 40,213 | 32,503 | - | 461,194 | |
| Community Grants | 471,069 | - | - | - | - | - | - | - | 471,069 | |
| Professional and Legal Fees | 62,645 | 532 | - | 2,330 | - | 563 | 563 | - | 66,633 | |
| Utilities and Property Taxes | 86,033 | 66,618 | 292,214 | 5,101 | 90,011 | 276,179 | 370,500 | (102,024) | 1,084,632 | |
| Repairs and Maintenance | - | 155,490 | 1,254,225 | 18,082 | 443,849 | 330,320 | 477,799 | (95,308) | 2,584,457 | |
| Contracts | 178,494 | 3,188,922 | 819,862 | 1,489,899 | 824,317 | 10,442 | 10,671 | - | 6,522,607 | |
| Operating Expenses | 394,145 | 304,891 | 996,511 | 318,074 | 756,413 | 580,209 | 467,653 | (2,011,308) | 1,806,588 | |
| Collections for Other Governments | 9,660 | - | - | - | - | - | - | - | 9,660 | |
| Amortization | 928,128 | 165,794 | 4,637,078 | - | 328,499 | 801,212 | 1,036,299 | - | 7,897,010 | |
| Interest and Debt Issue Expenses | 609,913 | 6,750 | 209,878 | 28,050 | 20,853 | 114,255 | 332,125 | - | 1,321,824 | |
| Total Expenses | 5,175,069 | 5,449,177 | 10,061,643 | 2,532,321 | 4,114,669 | 2,909,995 | 3,704,918 | (2,208,640) | 31,739,152 | |
| Net Surplus (Deficit) | \$ 20,886,646 | \$ (4,433,096) | \$ (6,690,417) | \$ (1,346,854) | \$ (3,121,419) | \$ 509,208 | \$ 775,765 | \$ 598,926 | \$ 7,178,759 | |

The City of Salmon Arm
Schedule 5 - Consolidated Schedule of Segment Disclosure

| For The Year Ended December 31 | General Government Services | Protective Services | Transportation Services | Environmental Development Services | Recreation and Cultural Services | Sewer Utility Services | Water Utility Services | Elimination Entries | 2019 Total (Note 1) |
|-------------------------------------|-----------------------------------|------------------------|----------------------------|--|---|------------------------------|------------------------------|------------------------|---------------------------|
| Revenue | | | | | | | | | |
| Taxation | \$ 18,625,597 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,625,597 |
| Transportation Parcel Tax | - | - | 1,196,430 | - | - | - | - | - | 1,196,430 |
| Frontage Tax | - | - | - | - | - | 946,359 | 1,449,532 | - | 2,395,891 |
| Grants | 810,688 | - | 1,154,601 | 2,250 | 64,650 | - | - | - | 2,032,189 |
| Sales of Service | 84,828 | 81,495 | 1,409,149 | 1,012,937 | 1,019,415 | 2,107,261 | 2,766,604 | (1,138,513) | 7,343,176 |
| Licenses, Permits, Fines, Franchise | 1,492,287 | 928,333 | 33,499 | 72,105 | 166,680 | 21,000 | 7,950 | (813,308) | 1,908,546 |
| Return on Investment | 1,315,550 | 26,499 | 61,377 | 8,319 | 22,714 | 245,818 | 358,954 | - | 2,039,231 |
| Other Contributions | 228,445 | - | 1,222,177 | - | 50,000 | 500,460 | 232,033 | - | 2,233,115 |
| Loss on Disposal of Capital Assets | 89,598 | 14,265 | 141,708 | - | - | - | - | - | 245,571 |
| Total Revenue | 22,646,993 | 1,050,592 | 5,218,941 | 1,095,611 | 1,323,459 | 3,820,898 | 4,815,073 | (1,951,821) | 38,019,746 |
| Expenses | | | | | | | | | |
| Wages and Benefits | 2,083,058 | 1,441,838 | 1,690,875 | 681,380 | 1,774,491 | 791,988 | 1,030,506 | - | 9,494,136 |
| Insurance | 190,615 | 25,698 | 107,551 | 104 | 51,338 | 41,266 | 33,915 | - | 450,487 |
| Community Grants | 347,188 | - | - | - | - | - | - | - | 347,188 |
| Professional and Legal Fees | 44,216 | - | - | 2,870 | - | 9,880 | - | - | 56,966 |
| Utilities and Property Taxes | 87,484 | 68,578 | 304,632 | 6,121 | 93,463 | 262,123 | 363,208 | (107,020) | 1,078,589 |
| Repairs and Maintenance | - | 136,436 | 1,274,649 | 7,306 | 483,037 | 253,239 | 559,278 | (77,607) | 2,636,338 |
| Contracts | 145,264 | 3,081,287 | 841,205 | 1,499,832 | 813,818 | 18,580 | 10,904 | - | 6,410,890 |
| Operating Expenses | 491,371 | 248,915 | 482,502 | 511,878 | 746,164 | 579,835 | 482,107 | (1,767,194) | 1,775,578 |
| Collections for Other Governments | 11,336 | - | - | - | - | - | - | - | 11,336 |
| Amortization | 918,106 | 168,819 | 4,451,524 | - | 311,991 | 793,250 | 1,007,437 | - | 7,651,127 |
| Interest and Debt Issue Expenses | 619,995 | 6,750 | 193,077 | 28,050 | 82,271 | 114,255 | 363,176 | - | 1,407,574 |
| Total Expenses | 4,938,633 | 5,178,321 | 9,346,015 | 2,737,541 | 4,356,573 | 2,864,416 | 3,850,531 | (1,951,821) | 31,320,209 |
| Net Surplus (Deficit) | \$ 17,708,360 | \$ (4,127,729) | \$ (4,127,074) | \$ (1,641,930) | \$ (3,033,114) | \$ 956,482 | \$ 964,542 | \$ - | \$ 6,699,537 |

The City of Salmon Arm
Schedule 6 - COVID-19 Safe Restart Grant

December 31, 2020

In response to COVID-19, the Province of British Columbia has provided COVID-19 Safe Restart Grants to support local governments with increased operating costs, lower revenues and fiscal pressures related to COVID-19. The City received \$ 3,598,000 in 2020.

The COVID-19 Safe Restart Grant is unconditional and has been accounted for as an unrestricted government transfer; recognized as revenue in the year received. The following schedule outlines how the City has utilized the grant funding as of December 31, 2020.

| | | |
|------------------------------------|------------------|----------------------------|
| COVID-19 Safe Restart Grant | | \$ 3,598,000 |
| Revenue Shortfalls: | | |
| Protective Services | \$ 23,495 | |
| Recreation and Cultural Services | 20,000 | |
| Total Revenue Shortfalls | | (43,495) |
| Expenditures: | | |
| Replenishment of Emergency Reserve | 470,460 | |
| General Government Services | 110,056 | |
| Total Expenditures | | (580,516) |
| Balance, December 31, 2020 | | <u>\$ 2,973,989</u> |

Annual Budget

The 2021 budget is essentially based on the same service levels as 2020 and strives towards maintaining a strong financial foundation for the City. It contains a number of reserve transfer allocations to ensure that goals set out in the Long Term Financial Plan are attainable. The budget is a plan for the upcoming year, as well as a preplan for future years which reflects the goals, objectives and priorities of the community. It establishes service levels, programs and special project work and addresses how they will be funded. It is a financial tool that ensures funds are available for the programs and services required by the community; essentially, it is a planning and management tool. The budget also serves as a check and balance to ensure funds are not overspent.

The operating budget projects revenue and expenditures for the current operating year while the capital budget identifies the capital projects approved by Council which will be undertaken. Indicative of life, there are always more projects than funds. Council does its best to prioritize the needs of the community, all the while balancing electorate expectations, community safety and economics.

Prior to the development of the annual budget, public input is sought through a participative session generally held in September. Council places great value on the public's input and resulting consultation. After an extensive Council and staff review, the budget is usually approved by December of the preceding year.

Council strives to provide for a constant and predictable level of taxation. The budget focuses on the current year's operation and maintenance of water and sewer systems, transportation network, parks and recreation, fire and policing services,

airport, cemetery, development and general administrative services. Council policies ultimately determine service levels.

Today, all municipalities face the challenge of rising costs and limited revenues. Local governments must be innovative to stretch the amount of taxation dollars it collects from property owners; essentially, each municipality must explore new ways to do more with less. This equates to some very tough decisions during the budget process each year.

Provincial downloading also has an impact on municipal budgets and has not only forced municipalities to take on existing services financially, but also to implement procedures and policies to address these services. Community housing and poverty reduction strategies are but two (2)

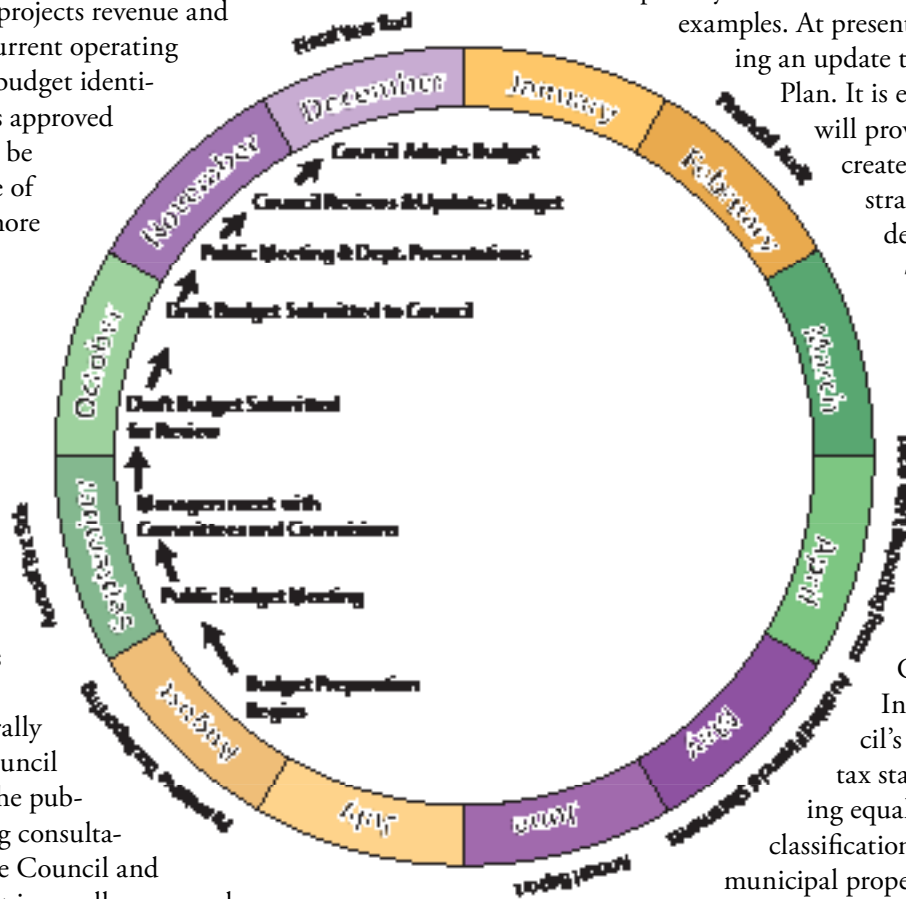
examples. At present, the City is undertaking an update to its Corporate Strategic Plan. It is envisioned that this plan will provide an opportunity to create a shared vision and set strategic direction for future decision-making.

The 2021 budget includes a 0.50% property tax increase for all property classes and new construction tax revenue of 1.22%. All revenues and expenses in the 2021 budget are being very closely monitored as a result of the unprecedented COVID-19 pandemic.

In accordance with Council's objective to maintain tax stability while maintaining equality between property classifications, the 2021 general

municipal property tax rate and associated multiple for Class 5 (Light Industry) and Class 6 (Business) has been equalized. This resulted in a shift of general municipal property taxes from Class 6 (Business) to Class 5 (Light Industry).

The Federal Government's Community Works Fund continued in 2021 and as a result the City's budget includes a grant

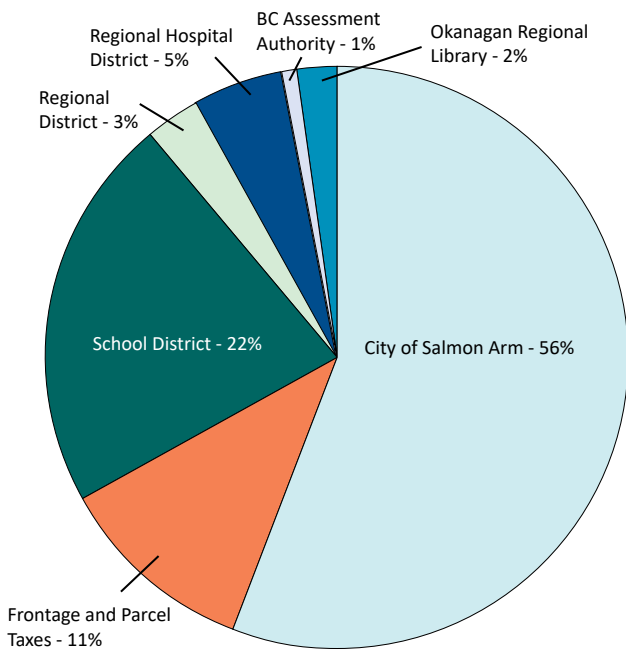


of \$4,782,000 towards capital projects. The City was also fortunate to receive a Provincial COVID-19 Safe Restart Grant in 2020. As a result, the City's budget includes \$1,441,600 in grant funding to offset operational expenditures, revenue shortfalls, grants and capital initiatives. The budget includes the construction of the Ross Street Underpass, continuation of the Universal LED Street Light Conversion project, procurement of a new playground for Raven Community Park and Canoe Beach, Foreshore Trail improvements and the

by approximately \$152,000 in 2021, which is attributed to increased wages and pensions, training, software as well as an increase to member strength.

The 2021 budget also provides for an additional Bylaw Enforcement Officer. With the City's growth nearing 20,000 citizens, the demand on bylaw enforcement has increased and so has the complexity of complaints and expectations by the community. Staffing is provided on an average demand basis. Demand must be sustained over time to justify additional staffing levels. For example, as development increases staffing levels remain the same to ride out the flurry of activity. It can be extremely difficult to find available temporary or part-time staff skilled in a specific area such as building inspection or development services. Additional workloads are absorbed by technological advancement and the streamlining of existing processes. An ongoing review of current processes is required to accomplish high quality service levels with the same level of funding.

The budget provides for the two (2) debenture borrowings, one of which was anticipated in 2020 and has been carried forward for completion in 2021. The first is for the construction of the Zone 2 Booster Station, located at Canoe Beach (\$1,720,000). This is one of two main boosters that feed the treated water from the Water Treatment Plant into the water system. As discussed in the prior year, the Zone 2 Booster Station has reached its anticipated useful life and is subject to failure under multiple modes such as outdated MCC (support and parts no longer available), flooding, age related failure and most concerning to staff, corrosion of the external piping which could lead to substantial service outages. The second debenture is for the construction of the Zone 5 Booster Station (\$1,315,000) and is located adjacent to the intersection of 30 Street SE and 10 Ave SE. The booster station was constructed in 1975 in a bunker within a very small footprint

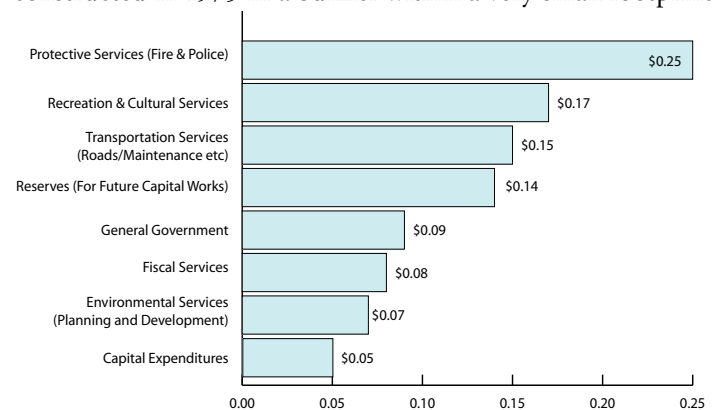


This graph reflects that only 56% of the residential property tax bill is retained by the City to fund the annual budget

West Bay Connector Trail – Phase 1.

The City has continued a Solid Waste Collection and Recycling Services Program for residential properties on a user-pay basis since 2011. By partnering with Recycle BC with respect to packaged and printed paper, the City was able to secure a rebate which resulted in the current, overall lower user fee of \$101.00 per annum. In 2019, the City successfully introduced food waste collection into the Solid Waste Collection and Recycling Services Program and as a result has seen a reduction in garbage tonnage taken to the landfill.

Rising policing costs have, consistently over the past years, been a prominent factor behind tax increases and 2021 is no exception. The projected policing budget will increase



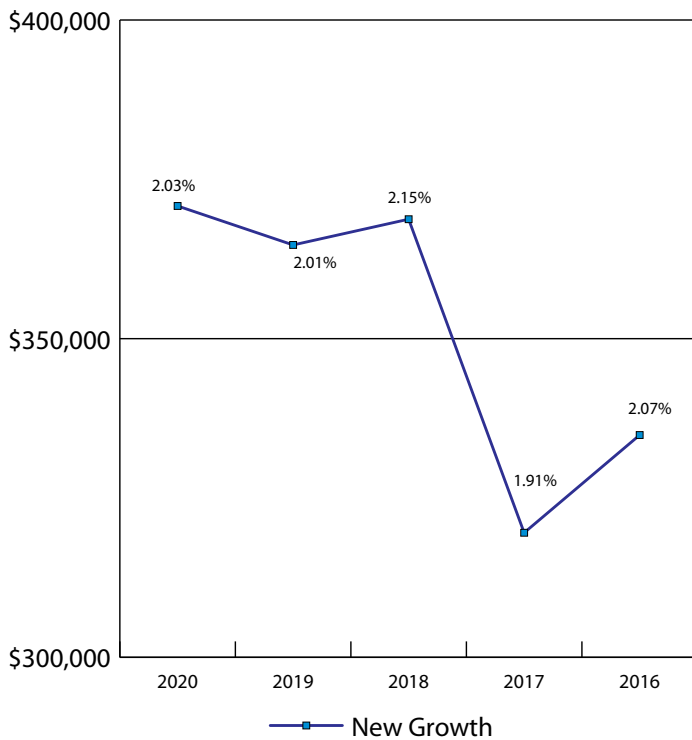
This graph reflects the portion of each municipal tax dollar that funds each function with the City's annual budget. For example \$0.15 of each tax dollar levied funds transportation services

which hinders expansion. The pumps and distribution mains in and around the station are also undersized and outdated. Relocation of the station to the entrance of Little Mountain Park along 10 Ave SE will facilitate a seamless transition in operations, enable fire flow demands to be met and provide for reconfiguration of our telemetry and SCADA operations. Both of these debentures will require elector assent which is envisioned to occur in the fall of 2021.

The use of long term debt and the accumulation of reserves to undertake certain projects is prudent and a combination of both funding mechanisms is a good strategy to maintain a healthy financial foundation. While long term debt should not be a means to finance all projects, projects with an expenditure threshold of one half million dollars or more should be financed through long term debt or a combination of debt and reserves. The reality is that there are some City projects that cannot be undertaken unless long term debt is accessed.

The City allocates annually, funds for various large scale projects such as the Shoemaker/Auto Road extension, the construction of the West Bay Connector Trail, a Downtown Parkade as well as emergency operational activities, such as snow removal. The City establishes reserves to undertake works once the funds required have been accumulated. In 2021, the City continued to allocate a predetermined amount to reserves.

Many City staff members participate in the budget development process each year. The onus is on senior staff to ensure the required financial and operational resources are utilized by each department for the intended purpose and that annual budget targets are met each year.



This graph reflects the new tax revenue that is generated each year as a result of new growth or construction in Salmon Arm. In 2020 the community derived new tax revenue of 2.03% or \$370,819.00



2020-2024 Financial Plan

Schedule "A" - Bylaw #4446

City of Salmon Arm 2020 - 2024 Financial Plan

| | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|----------------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|
| Capital Projects | | | | | |
| Finances Acquired | | | | | |
| General Operating Fund | \$ 2,296,310 | \$ 2,251,750 | \$ 1,305,092 | \$ 1,959,371 | \$ 1,954,967 |
| Water Operating Fund | 662,000 | 766,000 | 500,000 | 500,000 | 800,000 |
| Sewer Operating Fund | 611,000 | 720,000 | 527,000 | 575,000 | 175,000 |
| Federal Government Grants | 3,002,256 | 2,297,956 | - | - | - |
| Provincial Government Grants | 5,497,256 | 4,772,956 | - | - | - |
| Prior Year Surplus | 50,000 | 18,000 | - | - | - |
| Reserve Accounts | 14,015,913 | 10,682,865 | 15,000 | 340,000 | 1,200,000 |
| Reserve Funds | 2,446,500 | 4,548,965 | 710,000 | 550,000 | 1,122,000 |
| Development Cost Charges | 604,000 | 1,612,750 | 3,335,000 | 3,445,000 | 3,373,000 |
| Long Term Debt | 2,348,000 | 7,824,925 | - | - | 500,000 |
| Developer Contributions | 1,205,530 | 2,306,000 | 44,000 | 40,000 | 40,000 |
| Total Funding Sources | 32,738,765 | 37,802,167 | 6,436,092 | 7,409,371 | 9,164,967 |
| Finances Applied | | | | | |
| Transportation Infrastructure | 22,221,502 | 21,045,892 | 3,622,000 | 3,619,500 | 5,219,500 |
| Buildings | 461,793 | 1,817,365 | 144,000 | 458,500 | 140,000 |
| Land | - | - | - | 300,000 | - |
| IT Infrastructure | 228,600 | 257,800 | 55,000 | 65,000 | 185,000 |
| Machinery and Equipment | 1,895,925 | 1,699,965 | 513,092 | 443,871 | 397,967 |
| Vehicles | 655,000 | 1,704,000 | - | - | - |
| Parks Infrastructure | 1,908,120 | 1,850,030 | 260,000 | 262,500 | 782,500 |
| Utility Infrastructure | 5,367,825 | 9,427,115 | 1,842,000 | 2,260,000 | 2,440,000 |
| Total Capital Expense | 32,738,765 | 37,802,167 | 6,436,092 | 7,409,371 | 9,164,967 |
| Departmental Summary | | | | | |
| General Government Services | 201,970 | 193,770 | 122,500 | 138,500 | 208,500 |
| Protective Services | 1,034,800 | 2,159,550 | 140,000 | 55,000 | 55,000 |
| Transportation Services | 23,315,847 | 23,106,202 | 3,918,500 | 4,233,500 | 5,518,500 |
| Environmental Health Services | 56,510 | 53,510 | 2,500 | 327,500 | 27,500 |
| Recreation and Cultural Services | 2,605,428 | 2,444,520 | 335,592 | 319,871 | 840,467 |
| Water Services | 3,478,000 | 6,380,000 | 1,390,000 | 1,760,000 | 2,340,000 |
| Sewer Services | 2,046,210 | 3,464,615 | 527,000 | 575,000 | 175,000 |
| Total by Department | \$ 32,738,765 | \$ 37,802,167 | \$ 6,436,092 | \$ 7,409,371 | \$ 9,164,967 |

Schedule "A" - Bylaw #4446

**City of Salmon Arm
2020 - 2024 Financial Plan**

| | 2020 Budget | 2021 Budget | 2022 Budget | 2023 Budget | 2024 Budget |
|----------------------------------|------------------------|----------------------|---------------------|---------------------|---------------------|
| Capital Projects | | | | | |
| Finances Acquired | | | | | |
| General Operating Fund | \$ 2,296,310 | \$ 2,251,750 | \$ 1,305,092 | \$ 1,959,371 | \$ 1,954,967 |
| Water Operating Fund | 662,000 | 766,000 | 500,000 | 500,000 | 800,000 |
| Sewer Operating Fund | 611,000 | 720,000 | 527,000 | 575,000 | 175,000 |
| Federal Government Grants | 3,002,256 | 2,297,956 | - | - | - |
| Provincial Government Grants | 5,497,256 | 4,772,956 | - | - | - |
| Prior Year Surplus | 50,000 | 18,000 | - | - | - |
| Reserve Accounts | 14,015,913 | 10,682,865 | 15,000 | 340,000 | 1,200,000 |
| Reserve Funds | 2,446,500 | 4,548,965 | 710,000 | 550,000 | 1,122,000 |
| Development Cost Charges | 604,000 | 1,612,750 | 3,335,000 | 3,445,000 | 3,373,000 |
| Long Term Debt | 2,348,000 | 7,824,925 | - | - | 500,000 |
| Developer Contributions | 1,205,530 | 2,306,000 | 44,000 | 40,000 | 40,000 |
| Total Funding Sources | 32,738,765 | 37,802,167 | 6,436,092 | 7,409,371 | 9,164,967 |
| Finances Applied | | | | | |
| Transportation Infrastructure | 22,221,502 | 21,045,892 | 3,622,000 | 3,619,500 | 5,219,500 |
| Buildings | 461,793 | 1,817,365 | 144,000 | 458,500 | 140,000 |
| Land | - | - | - | 300,000 | - |
| IT Infrastructure | 228,600 | 257,800 | 55,000 | 65,000 | 185,000 |
| Machinery and Equipment | 1,895,925 | 1,699,965 | 513,092 | 443,871 | 397,967 |
| Vehicles | 655,000 | 1,704,000 | - | - | - |
| Parks Infrastructure | 1,908,120 | 1,850,030 | 260,000 | 262,500 | 782,500 |
| Utility Infrastructure | 5,367,825 | 9,427,115 | 1,842,000 | 2,260,000 | 2,440,000 |
| Total Capital Expense | 32,738,765 | 37,802,167 | 6,436,092 | 7,409,371 | 9,164,967 |
| Departmental Summary | | | | | |
| General Government Services | 201,970 | 193,770 | 122,500 | 138,500 | 208,500 |
| Protective Services | 1,034,800 | 2,159,550 | 140,000 | 55,000 | 55,000 |
| Transportation Services | 23,315,847 | 23,106,202 | 3,918,500 | 4,233,500 | 5,518,500 |
| Environmental Health Services | 56,510 | 53,510 | 2,500 | 327,500 | 27,500 |
| Recreation and Cultural Services | 2,605,428 | 2,444,520 | 335,592 | 319,871 | 840,467 |
| Water Services | 3,478,000 | 6,380,000 | 1,390,000 | 1,760,000 | 2,340,000 |
| Sewer Services | 2,046,210 | 3,464,615 | 527,000 | 575,000 | 175,000 |
| Total by Department | \$ 32,738,765 | \$ 37,802,167 | \$ 6,436,092 | \$ 7,409,371 | \$ 9,164,967 |

Average Residential Taxes

The City of Salmon Arm acts as a collection agency for other taxing authorities and as a result your property tax notice reflects taxes collected for municipal purposes as well as taxes collected for these other authorities.

| Allocation of 2021 Property Taxes Based on \$422,184 Average Residential Assessment | | | | | |
|--|----------------------|----------------|--------------------|--------------------|-----------------|
| Municipal Taxes | 2021 Net Cost | % | 2021 Tax | 2020 Tax | \$ Change |
| General Government Services | \$ 1,647,426 | 8.67% | \$ 139.50 | \$ 148.78 | \$ (9.28) |
| Protective Services (Fire and Police) | 4,721,227 | 24.86% | 399.94 | 389.73 | 10.21 |
| Transportation Services (Roads/Maintenance etc) | 2,884,620 | 15.19% | 244.37 | 240.48 | 3.89 |
| Environmental Services (Planning and Development) | 1,348,490 | 7.10% | 114.21 | 108.93 | 5.28 |
| Recreation and Cultural Services | 3,250,930 | 17.12% | 275.42 | 246.01 | 29.41 |
| Fiscal Services | 1,411,750 | 7.43% | 119.53 | 125.22 | (5.69) |
| Capital Expenditures | 1,027,315 | 5.41% | 87.03 | 95.50 | (8.47) |
| Reserves (For Future Capital Works) | 2,701,492 | 14.22% | 228.77 | 226.41 | 2.36 |
| Total General Municipal | \$ 18,993,250 | 100.00% | \$ 1,608.77 | \$ 1,581.06 | 27.71 |
| Water Frontage (based on 60 taxable feet) | | | 124.80 | 124.80 | - |
| Sewer Frontage (based on 60 taxable feet) | | | 118.80 | 118.80 | - |
| Transportation Parcel Tax (flat rate per parcel) | | | 150.00 | 150.00 | - |
| Total City of Salmon Arm Taxes | | | \$ 2,002.37 | \$ 1,974.66 | \$ 27.71 |
| Collections For Other Agencies | | | | | |
| School (Province of BC) | | | \$ 821.02 | \$ 812.35 | \$ 8.67 |
| Columbia Shuswap Regional District | | | 91.57 | 91.86 | (0.29) |
| Columbia Shuswap Regional District - SIR Levy | | | 4.54 | 4.67 | (0.13) |
| Regional Hospital District | | | 140.21 | 137.97 | 2.24 |
| Okanagan Regional Library | | | 64.26 | 64.97 | (0.71) |
| B.C. Assessment Authority | | | 17.35 | 17.28 | 0.07 |
| Municipal Finance Authority | | | 0.08 | 0.08 | - |
| Total Other Agencies | | | \$ 1,139.03 | \$ 1,129.18 | \$ 9.85 |
| Gross Property Taxes | | | \$ 3,141.40 | \$ 3,103.84 | \$ 37.56 |
| Less: Home Owner Grant (\$1,045.00 if Over 65) | | | (770.00) | (770.00) | - |
| Net Property Taxes | | | \$ 2,371.40 | \$ 2,333.84 | \$ 37.56 |
| Solid Waste Collection and Recycling | | | 101.00 | 101.00 | - |
| Net Amount Due | | | \$ 2,472.40 | \$ 2,434.84 | \$ 37.56 |

Tax Exemptions

Tax Exemptions Provided By Council For the Year Ended December 31, 2020

| | Municipal Taxes | Other Taxes | Total Taxes |
|---|--------------------|----------------|----------------|
| 1. Properties Used for Public Worship* | | | |
| Broadview Evangelical Free Church | \$ 36,262 | \$ 11,146 | \$ 47,408 |
| Canoe United Church | 810 | 370 | 1,180 |
| Church of Jesus Christ of Latter-day Saints | 4,141 | 2,251 | 6,392 |
| Cornerstone Christian Reformed Church | 4,056 | 2,280 | 6,336 |
| Crossroads Free Methodist Church | 1,472 | 726 | 2,198 |
| Deo Lutheran Church of Salmon Arm | 4,820 | 1,514 | 6,334 |
| First United Church | 3,158 | 1,639 | 4,797 |
| Five Corners Pentecostal Church | 2,702 | 1,965 | 4,667 |
| Lakeside Community Church | 1,252 | 675 | 1,927 |
| Little Mountain Bible Chapel | 2,184 | 1,119 | 3,303 |
| Mount Ida Congregation of Jehovah Witnesses | 3,563 | 1,850 | 5,413 |
| Salmon Arm Mennonite Church Society | 1,969 | 799 | 2,768 |
| Seventh Day Adventist Church (British Columbia Conference) | 2,591 | 1,329 | 3,920 |
| Shuswap Community Church | 9,994 | 5,377 | 15,371 |
| St. Andrews Presbyterian Church | 2,574 | 1,348 | 3,922 |
| St. John the Evangelist Anglican Church of Canada | 2,161 | 1,100 | 3,261 |
| St. Joseph's Catholic Church | 4,986 | 2,689 | 7,675 |
| The Salvation Army New Hope Community Church | 1,714 | 881 | 2,595 |
| | 90,409 | 39,058 | 129,467 |
| 2. Properties Used for Charitable Purposes | | | |
| Canadian Mental Health Association | 42,856 | 22,387 | 65,243 |
| Churches of Salmon Arm Used Goods Society | 19,972 | 6,097 | 26,069 |
| Gleneden Community Association | 3,307 | 962 | 4,269 |
| Good Samaritan Canada (Lutheran Social Service Organization) Inc. | 64,398 | 46,040 | 110,438 |
| Nature Trust of BC | 2,227 | 936 | 3,163 |
| Royal Canadian Legion - Branch 62 | 12,154 | 3,062 | 15,216 |
| Salmar Community Association | 46,506 | 11,987 | 58,493 |
| Salmon Arm & Shuswap Lake Agricultural Association | 79,809 | 25,677 | 105,486 |
| Salmon Arm Elks Recreation Society | 10,033 | 3,394 | 13,427 |
| Salmon Arm Folk Music Society | 2,524 | 1,504 | 4,028 |
| Salmon Arm Masonic Holdings Society | 1,103 | 605 | 1,708 |
| Salmon Arm Museum and Heritage Association | 28,913 | 8,544 | 37,457 |
| Salmon Arm Rescue Unit | 4,922 | 1,516 | 6,438 |
| Scout Properties (BC/Yukon) Ltd. | 1,397 | 695 | 2,092 |
| Shuswap Area Family Emergency Society | 4,197 | 2,922 | 7,119 |
| Shuswap Association for Community Living | 4,257 | 2,872 | 7,129 |
| Shuswap Association for Rowing & Paddling | 6,956 | 2,231 | 9,187 |
| Shuswap Day Care Society | 1,959 | 1,316 | 3,275 |
| Shuswap District Art Council | 8,878 | 2,275 | 11,153 |
| Shuswap Family Resource and Referral Society | 17,011 | 4,572 | 21,583 |
| Shuswap Housing Society | 10,442 | 7,467 | 17,909 |
| Shuswap Recreation Society | 13,151 | 4,156 | 17,307 |
| Shuswap Theatre Society | 4,703 | 1,198 | 5,901 |
| SPCA (The British Columbia Society of the Prevention of Cruelty to Animals) | 4,559 | 1,469 | 6,028 |

**Tax Exemptions Provided By Council
For the Year Ended December 31, 2020**

| | Municipal Taxes | Other Taxes | Total Taxes |
|---|----------------------------|------------------------|------------------------|
| The Elks Recreation Children's Camp Society of BC | 16,591 | 8,882 | 25,473 |
| The Salvation Army Food Bank & Lighthouse Shelter | 8,302 | 2,585 | 10,887 |
| | <u>421,127</u> | <u>175,351</u> | <u>596,478</u> |
| 3. Properties Used for Senior Recreation Purposes | | | |
| Senior Citizens Association of British Columbia - Branch 92 (Canoe) | 3,477 | 1,033 | 4,510 |
| Seniors' Fifth Avenue Activity Centre Association | 10,215 | 2,973 | 13,188 |
| Shuswap Lake Senior Citizens' Society (Drop In Centre) | 6,183 | 1,597 | 7,780 |
| | <u>19,875</u> | <u>5,603</u> | <u>25,478</u> |
| 4. Properties Used for Recreation and Other Purposes | | | |
| City of Salmon Arm Leased Land (621/641 Ross Street NE) | 4,634 | 1,266 | 5,900 |
| Salmon Arm Curling Club | 17,250 | 5,051 | 22,301 |
| Salmon Arm Fish & Game Club | 3,556 | 1,692 | 5,248 |
| Salmon Arm Horseshoe Club | 1,524 | 492 | 2,016 |
| Salmon Arm Lawn Bowling Club | 1,834 | 581 | 2,415 |
| Salmon Arm Tennis Club | 16,816 | 5,061 | 21,877 |
| Shuswap Recreation Society | 242,684 | 72,334 | 315,018 |
| | <u>288,298</u> | <u>86,477</u> | <u>374,775</u> |
| Total Taxes Exempted by Council in 2020 | <u>\$ 819,709</u> | <u>\$ 306,489</u> | <u>\$ 1,126,198</u> |

* A portion is statutorily exempt.

Community Grants

The City of Salmon Arm supports voluntary non-profit organizations each year by allocating, through the Annual Budget process, a contribution to the Shuswap Community Foundation for distribution of cash grants within the community.

Summarized below is a listing of all grants awarded, both direct and indirect, through the City of Salmon Arm and the Shuswap Community Foundation.

Distributed Through the Shuswap Community Foundation

| | | |
|---|--|---------------|
| Canadian Red Cross Society - Shuswap Branch | - Rental Costs | \$ 3,500 |
| CSRD Youth Swimming Society | - Pool Rental Fees | 2,000 |
| Kamloops Symphony Society | - Concert Series in Salmon Arm | 1,500 |
| Literacy Alliance of the Shuswap Society | - Unplug and Play Family Literacy Week | 1,500 |
| Salmon Arm & Shuswap Agricultural Association | - Utilities Costs | 2,500 |
| Salmon Arm Bay Nature Enhancement Society | - Hire Summer Student | 3,000 |
| Salmon Arm Children's Festival Society | - Children's Festival | 4,000 |
| Salmon Arm Community Living | - Utility Costs | 2,000 |
| Salmon Arm Curling Club | - Utility Costs | 6,775 |
| Salmon Arm Museum and Heritage Association | - Demers and Tillman Pool Hall | 5,500 |
| Salmon Arm Secondary Dry Grad Committee | - Alcohol Free Event for Grads | 700 |
| Salmon Arm Sockeye Club | - Diving Block Repairs | 2,000 |
| Salmon Arm Waves Masters Swim | - Pool Rental Fees and Lifeguard Costs | 2,000 |
| Shuswap Association of Writers | - Young Writers Program | 1,800 |
| Shuswap Community Garden | - Infrastructure and Insurance | 500 |
| Shuswap District Arts Council | - WOW - Gazebo Rental | 750 |
| Shuswap Food Action Society | - Hire Marketing Manager | 3,500 |
| | - Community Garden Operating Costs | 500 |
| Shuswap Hospice Society | - Computer and Server Replacement | 2,000 |
| Shuswap Immigrant Services Society | - Multicultural Day | 1,500 |
| Shuswap Theatre Society | - New Roof and HVAC | 3,500 |
| Voice of the Shuswap Broadcasting Society | - Antenna Space Rental | 2,500 |
| Women Who Wine | - Halloween for Hospice | 1,100 |
| | | 54,625 |

Distributed Through the City of Salmon Arm

| | | |
|--|--|---------|
| BC SPCA - Shuswap Branch | - Operating | 12,000 |
| Canadian Mental Health Association | - Development Cost Charges Waived - Affordable Housing | 36,191 |
| Lakeside Community Church | - Permissive Tax Exemption | 1,923 |
| North Okanagan Shuswap Brain Injury Society | - COVID-19 Emergency Grant Fund | 1,330 |
| Scott and Toni Campbell | - New Years Baby | 100 |
| S.A.F.E. Society | - Victims Assistance Program | 27,000 |
| Salmon Arm Citizens on Patrol Society | - Operating | 5,000 |
| Salmon Arm Curling Club | - COVID-19 Emergency Grant Fund | 1,800 |
| Salmon Arm Economic Development Society | - Food Hub | 250,000 |
| | - Food Hub Feasibility Study | 14,000 |
| Salmon Arm Elks #455 | - Park Maintenance | 2,169 |
| Salmon Arm Lawn Bowling Club | - Greens Maintenance | 14,357 |
| | - COVID-19 Emergency Grant Fund | 500 |
| Salmon Arm Museum and Heritage Association | - Building Insurance | 4,318 |
| | - Grounds Maintenance | 1,745 |
| Salmon Arm Senior Citizens' Association - Branch 109 | - Landscaping Maintenance | 3,720 |
| Salmon Arm Secondary School | - Scholarship | 500 |
| Seniors' Fifth Ave Activity Centre Association | - COVID-19 Emergency Grant Fund | 1,425 |
| Seniors' Resource Centre (Salmon Arm) Society | - Operating | 22,533 |
| School District No. 83 | - Jackson Campus Grounds Maintenance | 13,865 |
| | - Jackson Campus Fieldhouse Maintenance | 8,064 |
| | - Safeway Fields Maintenance | 6,957 |
| | - Building Maintenance | 7,010 |

Distributed Through the City of Salmon Arm - Continued

| | | |
|---|---------------------------------|-----------------------|
| Shuswap Community Foundation | - Endowment Fund | 5,000 |
| | - Operating | 2,875 |
| Shuswap District Art Council/Shuswap Art Gallery Assoc. | - Operating | 41,912 |
| Shuswap Family Resource Centre | - COVID-19 Emergency Grant Fund | 1,000 |
| Shuswap Food Action Society | - COVID-19 Emergency Grant Fund | 900 |
| Shuswap Hut and Trail Alliance | - Operating | 44,000 |
| Shuswap Lake Senior Citizens' Society (Drop In Centre) | - Building Maintenance | 6,502 |
| Shuswap Lifeboat Society | - COVID-19 Emergency Grant Fund | 989 |
| | | <u>539,685</u> |
| Total Contributions | | 594,310 |
| Indirect Contributions | | <u>(106,821)</u> |
| Direct Contributions | | <u><u>487,489</u></u> |



Funds Provided to Other Agencies

The City of Salmon Arm contracts with some outside agencies to provide services to the community.

| | | 2020 | 2021 (Budget) |
|---|------------------|---------------------|---------------------|
| Funds Provided to Other Agencies | | | |
| Chamber of Commerce | - Visitor Centre | \$ 91,427 | \$ - |
| Downtown Salmon Arm | - Operating | 188,230 | 195,760 |
| Economic Development Society | - Operating | 340,000 | 311,100 |
| Economic Development Society | - MRDT Program | 149,272 | 174,000 |
| Okanagan Regional Library | - Operating | 764,990 | 756,500 |
| Regional District (See Below) | - Operating | 1,086,349 | 1,074,547 |
| Salmon Arm Museum and Heritage Association | - Operating | 115,004 | 131,000 |
| Shuswap Watershed Council | - Operating | 40,000 | 32,160 |
| Shuswap Recreation Society - Little Mtn. Fieldhouse | - Operating | 16,880 | 25,940 |
| Shuswap Recreation Society - Memorial Arena | - Operating | 1,310 | 9,600 |
| Shuswap Recreation Society - Shaw Centre | - Operating | 671,038 | 784,850 |
| Shuswap Recreation Society - Shaw Centre | - Capital | 637,158 | 244,735 |
| Shuswap Recreation Society - Recreation Centre | - Operating | 670,326 | 770,260 |
| Shuswap Recreation Society - Recreation Centre | - Capital | 13,888 | 325,000 |
| | | \$ 4,785,872 | \$ 4,835,452 |
| Regional District - (Detail) | | | |
| General Government | | 189,472 | 175,119 |
| 911 Emergency Telephone Service | | 47,809 | 48,143 |
| Feasibility Reserve | | 10,915 | 10,726 |
| Solid Waste - Recycling | | 258,893 | 254,465 |
| Shuswap Search & Rescue | | 42,490 | 52,384 |
| Shuswap Emergency Preparedness | | 140,253 | 137,765 |
| Milfoil Control | | 120,794 | 121,338 |
| Weed Control | | 4,152 | 4,070 |
| Tourism Shuswap | | 133,691 | 132,565 |
| Film Commission | | 9,219 | 9,244 |
| Sterile Insect Control - Levy | | 54,411 | 53,775 |
| Rail Trail Corridor | | 66,034 | 66,035 |
| Sterile Insect Control - Parcel Tax | | 8,622 | 8,622 |
| Adjustments | | (406) | 296 |
| | | \$ 1,086,349 | \$ 1,074,547 |

Statement of Financial Information

Statement of Employee Remuneration and Expenses

For the Year Ended December 31, 2020

A statement showing the gross remuneration, bonuses, gratuities and expenses paid to each employee whose total remuneration exceeded \$75,000.00 during the Year 2020.

| Name | Position | Remuneration | Expenses | Total |
|---------------------------------|---|--------------|-----------|--------------|
| Adams, Kenneth | Mechanic | \$ 77,796 | \$ - | \$ 77,796 |
| Arvay, Mervin | Utility Person III | 76,048 | 99 | 76,147 |
| Bannister, Carl | Chief Administrative Officer | 169,709 | 1,971 | 171,680 |
| Bux, Adam | Building Inspector III | 77,339 | 922 | 78,261 |
| Colonna, Bianca | Accountant | 79,462 | 1,158 | 80,620 |
| Frese, Hart | Chief Operator of Waste Water Treatment Plant | 90,534 | 33 | 90,567 |
| Gerow, Darin | Manager of Roads & Parks | 100,139 | 1,926 | 102,065 |
| Graham, Kirk | Supervisor of Roads & Transportation | 89,327 | - | 89,327 |
| Greencorn, Jamie | Sub Foreman of Roads & Transportation | 78,299 | - | 78,299 |
| Hansen, Kevin | Supervisor of Parks & Facilities | 82,252 | 270 | 82,522 |
| Jackson, Erin | Director of Corporate Services | 127,100 | 3,079 | 130,179 |
| Kipp, Damon | Operator III of Waste Water Treatment Plant | 81,967 | 421 | 82,388 |
| Kipp, Larry | Supervisor of Utilities | 89,592 | 99 | 89,691 |
| Larson, Chris | Planning & Development Officer | 78,995 | 1,064 | 80,059 |
| Lebeter, Gary | Deputy Fire Chief | 90,819 | 1,070 | 91,889 |
| Miller, Marcus | Operator III of Water Treatment Plant | 79,624 | 132 | 79,756 |
| Moore, Christopher | Engineering Assistant II | 77,840 | - | 77,840 |
| Niewenhuizen, Robert | Director of Engineering & Public Works | 127,873 | 1,125 | 128,998 |
| Patterson, Gregg | GIS Coordinator | 78,362 | 655 | 79,017 |
| Pearson, Kevin | Director of Development Services | 124,553 | 776 | 125,329 |
| | Prior Years Vacation Pay | 5,206 | - | 5,206 |
| Perepolkin, Tim | Capital Works Supervisor | 89,241 | 380 | 89,621 |
| Purves, Allan | Mechanic | 79,669 | - | 79,669 |
| Rasmuson, John | Manager of Utilities | 100,558 | 477 | 101,035 |
| Roy, Maurice | Manager of Permits & Licensing | 99,955 | 922 | 100,877 |
| Shirley, Brad | Fire Chief | 115,845 | 987 | 116,832 |
| | Prior Years Vacation Pay | 2,451 | - | 2,451 |
| St. Denis, Steven | Firefighter | 78,600 | 95 | 78,695 |
| Stalker, Doug | Operator III of Waste Water Treatment Plant | 80,086 | 132 | 80,218 |
| Struch, Donna | Building Inspector III | 77,119 | 1,182 | 78,301 |
| Tulak, Tracy | Acting Chief Financial Officer | 121,071 | 1,496 | 122,567 |
| | Prior Years Vacation Pay | 6,160 | - | 6,160 |
| Webb, Rick | Chief Operator of Water Treatment Plant | 91,151 | 182 | 91,333 |
| Wilson, Jennifer | City Engineer | 108,938 | 777 | 109,715 |
| Wood, Susan | Manager of Human Resources | 99,905 | 992 | 100,897 |
| Employee Wages Over \$75,000 | | 3,033,585 | 22,422 | 3,056,007 |
| Employee Wages Under \$75,000 | | 4,308,908 | 13,043 | 4,321,951 |
| Volunteer Fire Department Wages | | 285,606 | 8,204 | 293,810 |
| Total | | \$ 7,628,099 | \$ 43,669 | \$ 7,671,768 |

Statement of Council Indemnities & Expenses

For the Year Ended December 31, 2020

A statement showing remuneration and expenses paid to each Elected Official during the Year 2020.

| Name | Position | Remuneration | Expenses | Life & Health Benefit | Total |
|--------------------------|------------------|-------------------|-----------------|--------------------------|-------------------|
| Harrison, Alan | Mayor/Councillor | \$ 70,218 | \$ 1,974 | \$ 2,702 | \$ 74,894 |
| Cannon, Debbie | Councillor | 27,073 | 38 | 2,757 | 29,868 |
| Eliason, Chad | Councillor | 27,075 | 350 | 1,194 | 28,619 |
| Flynn, Kevin | Councillor | 27,006 | 38 | 2,697 | 29,741 |
| Lavery, Timothy | Councillor | 26,821 | 706 | 2,697 | 30,224 |
| Lindgren, Sylvia | Councillor | 25,564 | 350 | 2,697 | 28,611 |
| Wallace-Richmond, Louise | Councillor | 26,821 | 388 | 2,697 | 29,906 |
| Total | | \$ 230,578 | \$ 3,844 | \$ 17,441 | \$ 251,863 |

Reconciliation of Remuneration

For the Year Ended December 31, 2020

A reconciliation of the difference between wages and benefits listed on the Consolidated Financial Statements and the total remuneration and expenses listed.

| Description | Amount |
|--|---------------------|
| Employee Remuneration and Expenses | \$ 7,671,768 |
| Council Indemnity and Expenses | 251,863 |
| Revenue Canada Agency (Employers CPP and EI) | 402,400 |
| Pension | 655,637 |
| Workers' Compensation | 171,406 |
| Employer Health Tax | 117,198 |
| Other (including accrual versus cash basis and labour capitalized) | 243,206 |
| Wages and Benefits Per Financial Statements | \$ 9,513,478 |

Statement of Payments Made for the Provision of Goods and Services

For the Year Ended December 31, 2020

A statement of supplier accounts paid \$25,000 or more during the Year 2020.

| Name | Amount |
|--|-----------|
| Advantage Roofing Ltd. | \$ 26,775 |
| All Phase Electric Ltd. | 254,312 |
| Andrew Sheret Limited | 29,399 |
| Atticus Financial Group | 26,155 |
| Aviation Ground Fueling Technologies (2014) Ltd. | 35,030 |
| Back To Black Sealcoating And Crack Sealing | 44,960 |
| BC - Employer Health Tax | 117,198 |
| BC Hydro & Power Authority | 1,013,984 |
| BC Transit | 539,180 |
| Black Press Group Ltd. | 40,203 |
| Caro Analytical Services | 25,290 |
| Centrix Control Solutions LP. | 236,416 |
| Chance's Bulk Unloading Ltd. | 158,359 |
| City Electric Supply | 31,104 |
| Columbia Shuswap Regional District | 219,715 |
| Commissionaires BC | 36,306 |
| D Webb Contracting Ltd. | 279,873 |
| Dawson Construction Limited | 72,577 |
| East West Transportation (2000) Corp. | 152,493 |
| Electric Motor and Pump Service Ltd. | 64,681 |
| EMCO Limited | 28,804 |
| EMCO Waterworks | 287,789 |
| ESRI Canada | 34,720 |
| Fletcher Paine Associates Ltd. | 41,420 |
| Fortis BC - Natural Gas | 74,038 |
| Fraser Basin Council | 40,000 |
| Fraser Valley Refrigeration Ltd. | 631,747 |
| Fred Surridge Ltd. | 59,973 |
| General Assembly Excavating (1994) Ltd. | 277,459 |
| Gentech Engineering Inc | 74,471 |
| Grizzly Curb & Concrete Ltd. | 81,223 |
| Group Health Global - Trust | 418,533 |
| Hilltop Toyota | 37,504 |
| Inskip Electric Ltd. | 45,429 |
| Ironman Directional Drilling Ltd. | 46,904 |
| Kal Tire | 29,998 |
| Kendrick Equipment (203) Ltd. | 377,686 |
| Kimco Controls Ltd. | 54,189 |
| Lafrentz Road Marking a div. of Canadian Road | 37,140 |
| Lawson Engineering and Development Services Ltd. | 38,097 |
| Lidstone & Company | 26,529 |
| Line West Ltd. | 42,588 |
| Lordco Parts Ltd. | 42,327 |
| Mackay Meters | 44,576 |
| MADA Contracting | 116,392 |
| Magnum Wear Parts Ltd. | 26,278 |
| McElhanney Consulting Services Ltd. | 31,452 |
| Metro Motors Ltd. | 124,951 |
| Minister of Finance | 34,729 |

Statement of Payments Made for the Provision of Goods and Services - Continued

For the Year Ended December 31, 2020

| Name | Amount |
|--|----------------------|
| Mounce Construction Ltd. | \$ 189,619 |
| Municipal Insurance Association of BC | 311,594 |
| Municipal Pension Plan - Employers Portion | 655,637 |
| Okanagan Aggregates Ltd. | 1,397,620 |
| Okanagan Traffic Control Inc. | 42,165 |
| Petrovalue Products Canada Inc. | 200,144 |
| Premium Canada Holdings Ltd. | 48,491 |
| R.F. Binnie & Associates Ltd. | 315,167 |
| Receiver General for Canada | 3,149,680 |
| Receiver General for Canada - Employers CPP and EI | 402,400 |
| Rite-way Fencing (Kamloops) Inc. | 31,313 |
| Riverside Energy Systems | 34,428 |
| RMA Fuel Ltd. | 58,323 |
| Rocky Mountain Phoenix | 172,160 |
| Salmon Arm Chamber of Commerce | 91,587 |
| Salmon Arm Economic Development Society | 512,748 |
| Salmon Arm Janitorial Ltd. | 102,047 |
| Salmon Arm Museum & Heritage Association | 115,000 |
| Salmon Arm Ready Mix Ltd. | 30,861 |
| Salmon Arm Security Inc. | 56,143 |
| SASCU Insurance Services Ltd. | 116,858 |
| SCV Contractors | 701,135 |
| Shaw Business A Division of Shaw Telecom GP | 89,008 |
| Shuswap Hut and Trail Alliance | 32,586 |
| Shuswap Recreation Society | 597,541 |
| SkySail Technologies | 100,237 |
| Sonic Patch (Alberta) Inc. | 28,156 |
| Suncor Energy Products Partnership | 173,667 |
| Sybertech Waste Reduction Ltd. | 31,401 |
| Telus Communications and Services Ltd. | 72,129 |
| Total Office Supply Ltd. | 25,813 |
| Turn-Key Controls Ltd. | 52,504 |
| Urban Matters CCC | 41,640 |
| Vadim Computer Management Group | 36,409 |
| W.H. Laird Holdings Ltd. | 53,904 |
| Waste Connections of Canada Inc. | 35,578 |
| Waterhouse Environmental Services Corporation | 188,966 |
| Western Road Distribution Inc. | 38,045 |
| Wolseley Canada Inc. | 69,609 |
| Worksafe BC | 171,406 |
| WSP Canada Group Limited | 76,324 |
| Supplier Accounts Over \$25,000 | 17,260,999 |
| Supplier Accounts Under \$25,000 | 2,018,580 |
| Total | \$ 19,279,579 |

Reconciliation of Payments Made for the Provision of Remuneration, Expenses, Goods and Services

For the Year Ended December 31, 2020

A reconciliation showing the gross remuneration and expenses paid to employees and suppliers during the Year 2020, compared to total expenses on the Consolidated Financial Statements.

| Description | Amount |
|---|----------------|
| Employee Remuneration and Expenses | \$ 7,671,768 |
| Council Indemnity and Expenses | 251,863 |
| Payments Made for the Provision of Goods and Services | 19,279,579 |
| Direct Grants or Contributions | 487,489 |
| Total Disbursements | 27,690,699 |
| Total Expenses Per Financial Statements | 31,739,152 |
| Difference | (4,048,453.00) |
| Amortization, Not a Cash Expense | 7,897,010.00 |
| Capital Purchases, Not Included in Expenses on Financial Statements | (5,187,086.00) |
| Interest on Long-Term Debt, Not Included in Payments to Suppliers | 1,321,824.00 |
| Increase in Accounts Payable (Net of Taxes Payable) | 346,476.00 |
| Variance (1.04%) | \$ 329,771 |

The variance occurs for the following reasons:

- The financial statements are prepared on an accrual basis and this report is on a cash basis
- GST is included in the payments made to suppliers, but is net of rebate in the financial statement total

Statement of Guarantee and Indemnity Agreements

The City of Salmon Arm has one (1) guarantee and indemnity agreement, outlined below.

The City has entered into an agreement to act as a loan guarantor to assist the Salmon Arm Tennis Club in the financing of an Indoor Tennis Facility at 3440 Okanagan Avenue SE, Salmon Arm, BC. The outstanding balance at December 31, 2020 was \$763,226 (2019 - \$750,000). The loan bears interest at 4.47% (2019 – 4.47%) repayable in monthly instalments of \$4,156. The loan has a term of 25 years and is secured by the assets of the Tennis Club and an indemnity agreement from the City.

Statement of Severance Agreements

There were no severance agreements under which payment commenced between the City of Salmon Arm and its non-unionized employees during the fiscal year 2020.



Financial Statistics

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- Reporting Expenses by Object
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Reporting Expenses by Function

| Expenses by Function | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Government Services | \$ 5,171,025 | \$ 4,932,640 | \$ 5,097,173 | \$ 4,629,684 | \$ 4,616,299 |
| Protective Services | 5,349,008 | 5,096,792 | 4,991,552 | 5,124,932 | 4,953,565 |
| Transportation Services | 9,436,811 | 9,319,785 | 9,769,223 | 9,275,439 | 8,341,397 |
| Public Health Services | 1,245,794 | 1,417,534 | 1,059,210 | 958,367 | 953,344 |
| Development Services | 1,269,852 | 1,304,274 | 1,293,887 | 1,185,604 | 1,071,100 |
| Recreation and Cultural Services | 3,304,696 | 3,274,365 | 3,295,417 | 3,155,520 | 3,175,296 |
| Water Services | 3,378,391 | 3,481,768 | 3,352,792 | 3,381,212 | 3,314,026 |
| Sewer Services | 2,583,575 | 2,493,051 | 2,400,550 | 2,277,542 | 2,225,915 |
| | <u>\$ 31,739,152</u> | <u>\$ 31,320,209</u> | <u>\$ 31,259,804</u> | <u>\$ 29,988,300</u> | <u>\$ 28,650,942</u> |

This table reflects total City expenses by function. For example, the City spent approximately \$9.4 million on transportation services, such as roads and infrastructure, as opposed to approximately \$5.3 million on protective services.

Reporting Expenses by Object

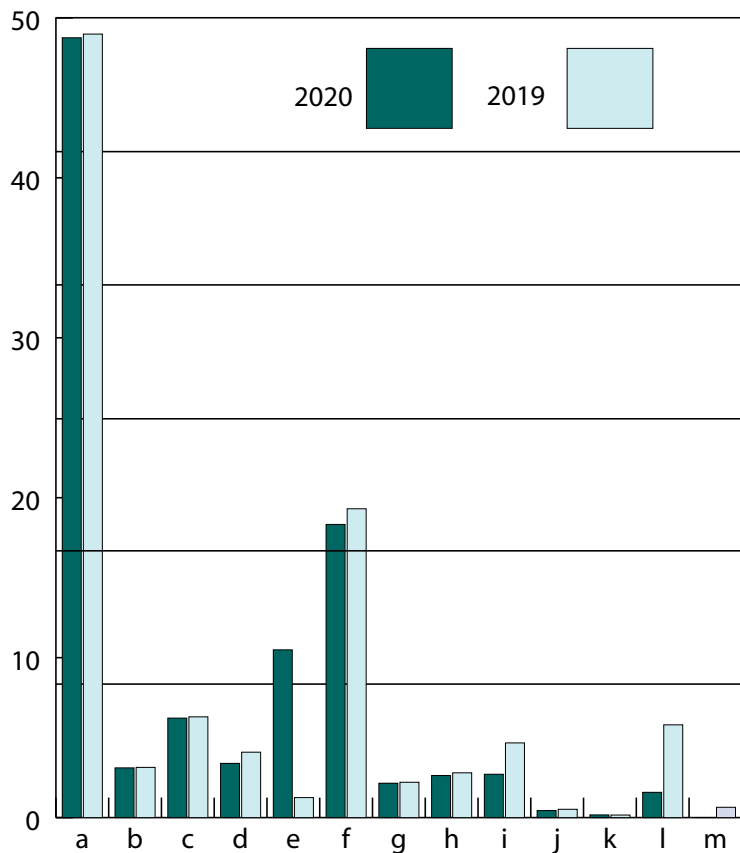
| Expenses by Object | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Amortization Expense | \$ 7,897,010 | \$ 7,651,127 | \$ 7,545,346 | \$ 7,232,266 | \$ 6,937,757 |
| Collections for Other Governments | 9,660 | 11,336 | 10,553 | 7,349 | 13,027 |
| Community Grants | 471,069 | 347,188 | 434,683 | 262,295 | 253,078 |
| Contracts | 6,522,607 | 6,410,890 | 6,159,480 | 6,047,747 | 5,825,174 |
| Insurance | 461,194 | 450,487 | 418,674 | 357,529 | 354,999 |
| Interest and Debt Issuance Expense | 1,321,824 | 1,407,574 | 1,463,291 | 1,594,915 | 1,635,515 |
| Loss on Disposal of Capital Assets | - | - | - | - | 135,172 |
| Operating Expenses | 1,806,588 | 1,775,578 | 1,948,781 | 1,866,435 | 1,464,039 |
| Professional and Legal Fees | 66,633 | 56,966 | 85,523 | 53,308 | 66,907 |
| Repairs and Maintenance | 2,584,457 | 2,636,338 | 2,895,042 | 2,670,740 | 2,292,360 |
| Salaries, Wages and Benefits | 9,513,478 | 9,494,136 | 9,208,314 | 8,803,559 | 8,707,030 |
| Utilities and Property Taxes | 1,084,632 | 1,078,589 | 1,090,117 | 1,092,157 | 965,884 |
| | <u>\$ 31,739,152</u> | <u>\$ 31,320,209</u> | <u>\$ 31,259,804</u> | <u>\$ 29,988,300</u> | <u>\$ 28,650,942</u> |

This table reflects total City expenses allocated by component within each City function. In 2020, of the total \$31.7 million expenses, the City spent \$1.3 million on interest and debt issuance expenses.

Revenues by Source and Type

| Revenue Sources | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Taxes (net) | \$ 18,977,526 | \$ 18,625,597 | \$ 17,678,316 | \$ 16,878,465 | \$ 16,517,517 |
| Transportation Parcel Tax | 1,210,200 | 1,196,430 | 948,120 | 932,520 | 914,040 |
| Frontage Taxes | 2,422,956 | 2,395,891 | 2,378,976 | 2,339,592 | 2,307,934 |
| Grants - Conditional Government | 1,320,197 | 1,556,588 | 1,822,514 | 2,017,593 | 1,475,158 |
| Grants - Unconditional Government | 4,084,614 | 475,601 | 481,788 | 443,749 | 496,191 |
| Sales of Services | 7,135,252 | 7,343,176 | 7,253,244 | 7,044,803 | 6,713,650 |
| Licences, Permits and Fines | 834,915 | 842,439 | 949,856 | 928,862 | 747,834 |
| Rentals, Leases and Franchises | 1,022,172 | 1,066,107 | 1,023,997 | 981,405 | 1,028,331 |
| Return on Investments | 1,053,431 | 1,777,816 | 1,516,192 | 1,066,660 | 1,064,599 |
| Penalties and Interest | 170,626 | 198,527 | 198,944 | 205,762 | 240,864 |
| Other Sources | 66,786 | 62,888 | 65,656 | 65,829 | 58,002 |
| DCCs, Reserves and Developer Contributions | 616,619 | 2,233,115 | 2,875,908 | 2,580,296 | 5,213,301 |
| Gain/(Loss) on Disposal of Capital Assets | 2,617 | 245,571 | (17,525) | 248,184 | - |
| | \$ 38,917,911 | \$ 38,019,746 | \$ 37,175,986 | \$ 35,733,720 | \$ 36,777,421 |

This table reflects the City's various revenue streams. In 2020, the City saw an increase in unconditional grant revenue of \$3.6 million, as the City received a COVID-19 Safe Restart Grant



- a - Property Taxes (net)
- b - Transportation Parcel Tax
- c - Frontage Taxes
- d - Grants - Conditional Government
- e - Grants - Unconditional Government
- f - Sales of Services
- g - Licences, Permits and Fines
- h - Rentals, Leases and Franchises
- i - Return on Investments
- j - Penalties and Interest
- k - Other Sources
- l - DCC's, Reserves and Dev. Contributions
- m - Gain/(Loss) on Disposal of Capital Assets

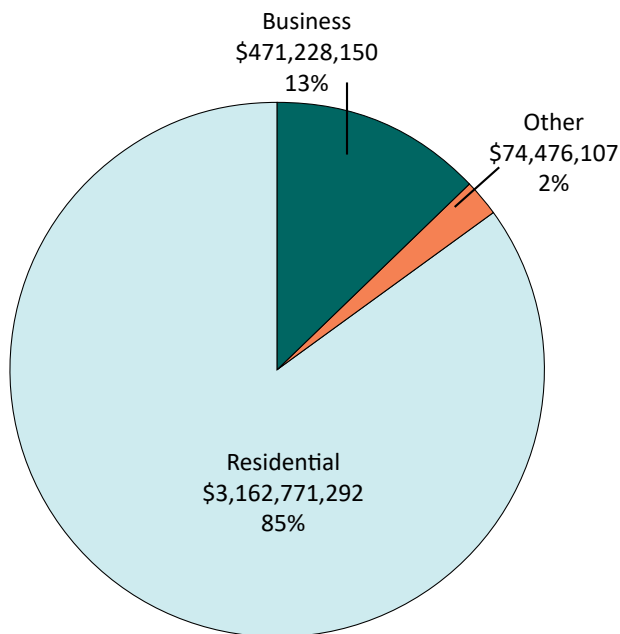
This graph reflects the percentage of the City's various revenue streams to total revenue collected. In 2020, the City saw a significant increase in unconditional grant revenue.

Taxable Assessments of Land and Improvements

| Property Classifications | 2020 | 2019 | 2018 | 2017 | 2016 |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Residential | \$ 3,162,771,292 | \$ 3,055,539,749 | \$ 2,806,511,479 | \$ 2,492,244,569 | \$ 2,299,196,782 |
| Utilities | 6,498,725 | 5,886,730 | 5,537,180 | 5,309,125 | 5,247,515 |
| Supportive Housing | 56 | 56 | 56 | 56 | 56 |
| Major Industry | 7,884,500 | 7,883,500 | 7,392,500 | 7,311,200 | 7,163,300 |
| Light Industry | 43,282,000 | 36,930,100 | 33,390,500 | 29,721,500 | 25,692,600 |
| Managed Forest Land | 38,500 | 322,000 | 29,500 | 26,200 | 18,400 |
| Business | 471,228,150 | 444,465,459 | 422,137,150 | 391,117,869 | 382,520,701 |
| Recreation Non-Profit | 8,011,000 | 7,344,300 | 7,011,600 | 6,333,300 | 6,544,600 |
| Farm | 8,761,326 | 8,749,307 | 8,770,004 | 8,856,486 | 8,732,378 |
| | <u>\$ 3,708,475,549</u> | <u>\$ 3,567,121,201</u> | <u>\$ 3,290,779,969</u> | <u>\$ 2,940,920,305</u> | <u>\$ 2,735,116,332</u> |

This table reflects the City's assessment base by property class for the past five (5) years.

Assessment Base by Property Class (General Net Taxable Values)



| Class | Assessed Value | % of Total |
|-------------|-------------------------|------------|
| Residential | \$ 3,162,771,292 | 85 |
| Business | 471,228,150 | 13 |
| Other | 74,476,107 | 2 |
| | <u>\$ 3,708,475,549</u> | <u>100</u> |

Other Includes:

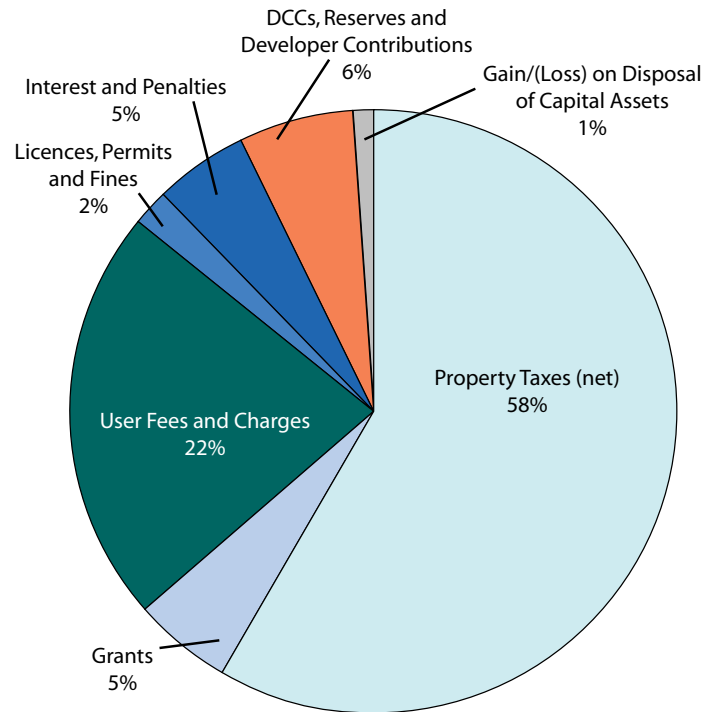
| | |
|-----------------------|----------------------|
| Utilities | \$ 6,498,725 |
| Supportive Housing | 56 |
| Major Industry | 7,884,500 |
| Light Industry | 43,282,000 |
| Managed Forest Land | 38,500 |
| Recreation Non Profit | 8,011,000 |
| Farm | 8,761,326 |
| | <u>\$ 74,476,107</u> |

This graph reflects that 85% of the assessment base in Salmon Arm is residential. Typically, business and industry provide the assessment base that is required to financially support services.

Revenue Sources Sorted by Category

| Revenue | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Property Taxes (net) | \$ 22,610,682 | \$ 22,217,918 | \$ 21,005,412 | \$ 20,150,577 | \$ 19,739,491 |
| Grants | 5,404,811 | 2,032,189 | 2,304,302 | 2,461,342 | 1,971,349 |
| User Fees and Charges | 8,224,210 | 8,472,171 | 8,342,897 | 8,092,037 | 7,799,983 |
| Licences, Permits and Fines | 834,915 | 842,439 | 949,856 | 928,862 | 747,834 |
| Interest and Penalties | 1,224,057 | 1,976,343 | 1,715,136 | 1,272,422 | 1,305,463 |
| DCCs, Reserves and Developer Contributions | 616,619 | 2,233,115 | 2,875,908 | 2,580,296 | 5,213,301 |
| Gain/(Loss) on Disposal of Capital Assets | 2,617 | 245,571 | (17,525) | 248,184 | - |
| | <u>\$ 38,917,911</u> | <u>\$ 38,019,746</u> | <u>\$ 37,175,986</u> | <u>\$ 35,733,720</u> | <u>\$ 36,777,421</u> |

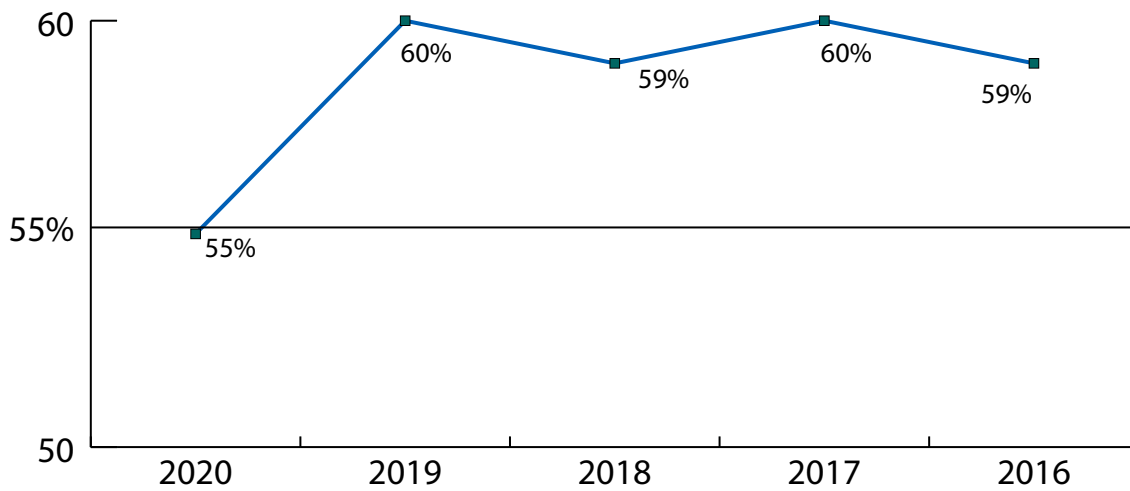
This table reflects the City's various revenue streams sorted by category. The City collected approximately \$8.2 million in user fees and charges for services such as rentals, parking and transit levies, airport fuel and oil sales, water and sewer user rates, and sanitation and recycling fees, etc.



This graph reflects the percentage of each revenue source by category.

General Municipal Taxes as a Percentage of Operating Revenue

| Year | Tax Revenue | Total Revenue | % of Revenue |
|------|-------------|---------------|--------------|
| 2016 | 16,151,905 | 27,254,923 | 59% |
| 2017 | 16,546,850 | 27,793,036 | 60% |
| 2018 | 17,318,313 | 29,444,196 | 59% |
| 2019 | 18,242,112 | 30,479,863 | 60% |
| 2020 | 18,603,542 | 33,729,265 | 55% |



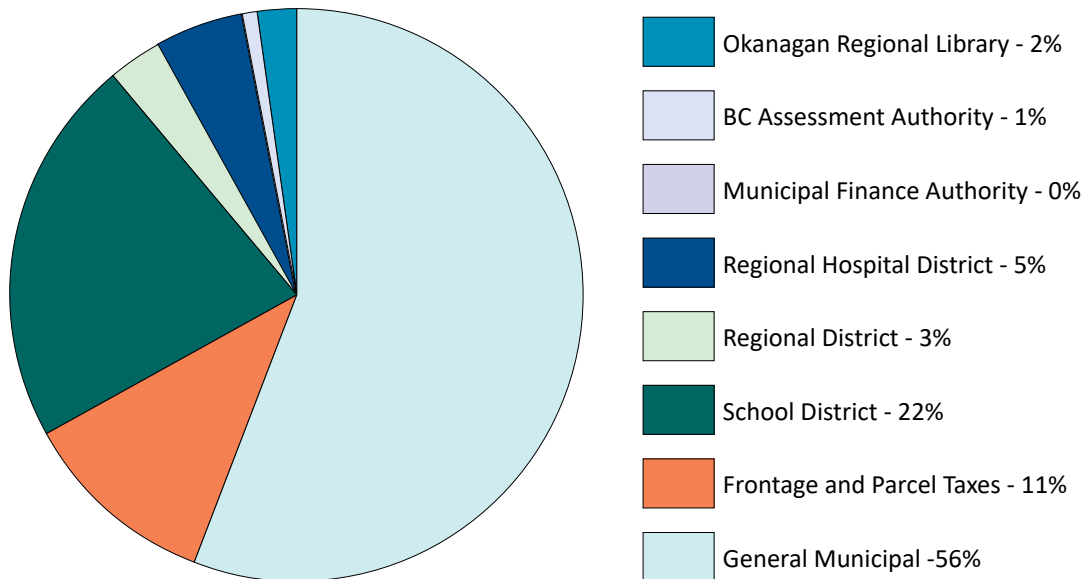
This table and graph reflects that in 2020, 55% of the City's general operating revenue to finance services was funded by property taxation.

Property Taxes Levied and Collected

| Jurisdictions | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| General Municipal | \$ 19,167,197 | \$ 18,806,903 | \$ 17,859,388 | \$ 17,077,129 | \$ 16,693,787 |
| Frontage and Parcel Taxes | 3,633,156 | 3,592,321 | 3,327,095 | 3,272,112 | 3,221,974 |
| School District | 7,332,380 | 8,166,378 | 8,045,387 | 7,669,949 | 7,955,098 |
| Regional District | 1,085,978 | 1,017,339 | 990,458 | 878,534 | 892,906 |
| Regional Hospital District | 1,536,753 | 1,240,110 | 996,794 | 981,438 | 954,053 |
| Municipal Finance Authority | 909 | 870 | 807 | 721 | 681 |
| BC Assessment Authority | 203,925 | 183,537 | 182,069 | 176,994 | 201,121 |
| Okanagan Regional Library | 764,703 | 757,311 | 712,274 | 684,866 | 691,246 |
| | <u>33,725,001</u> | <u>33,764,769</u> | <u>32,114,272</u> | <u>30,741,743</u> | <u>30,610,866</u> |
| Total Current Taxes Levied | 33,725,001 | 33,764,769 | 32,114,272 | 30,741,743 | 30,610,866 |
| Current Taxes Collected | 33,166,049 | 33,146,109 | 31,590,902 | 30,065,995 | 29,884,464 |
| Percentage Collected | 98.34% | 98.17% | 98.37% | 97.80% | 97.63% |
| Outstanding at Beginning of Year | 822,856 | 765,568 | 999,677 | 1,056,893 | 1,022,194 |
| Arrears/Delinquent Collected | 539,607 | 561,373 | 757,479 | 732,964 | 691,703 |
| Percentage Collected | 65.58% | 73.33% | 75.77% | 69.35% | 67.67% |
| Total Tax Collections | <u>\$ 33,705,656</u> | <u>\$ 33,707,482</u> | <u>\$ 32,348,381</u> | <u>\$ 30,798,959</u> | <u>\$ 30,576,167</u> |

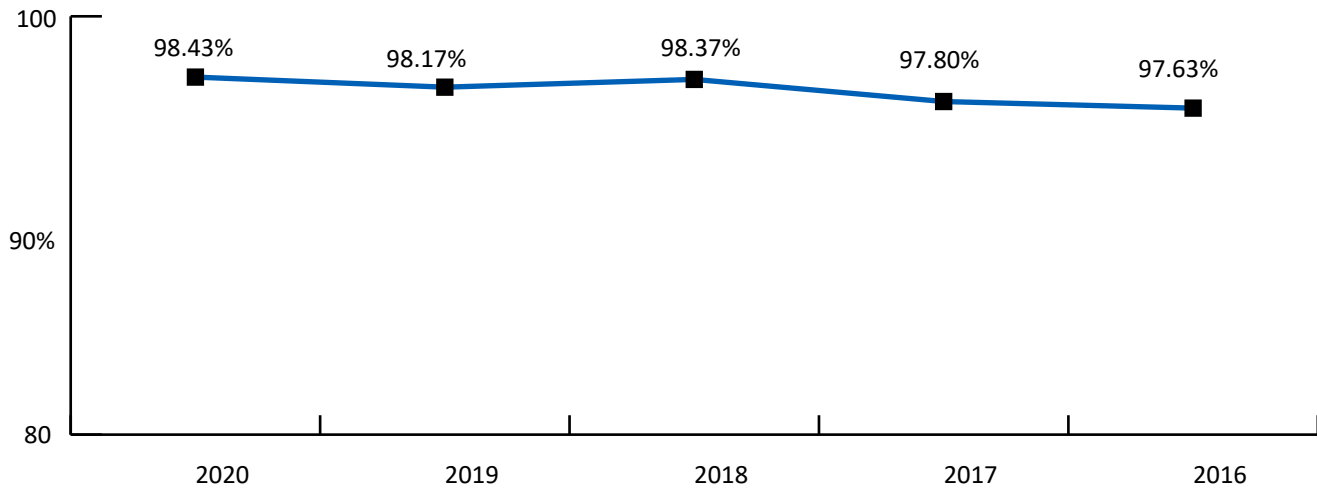
This table reflects the amount of taxes collected for general municipal purposes and for other jurisdictions (i.e. School District, Regional District, etc). The table also outlines the City's property taxation collection rates.

2020 Taxes by Jurisdiction



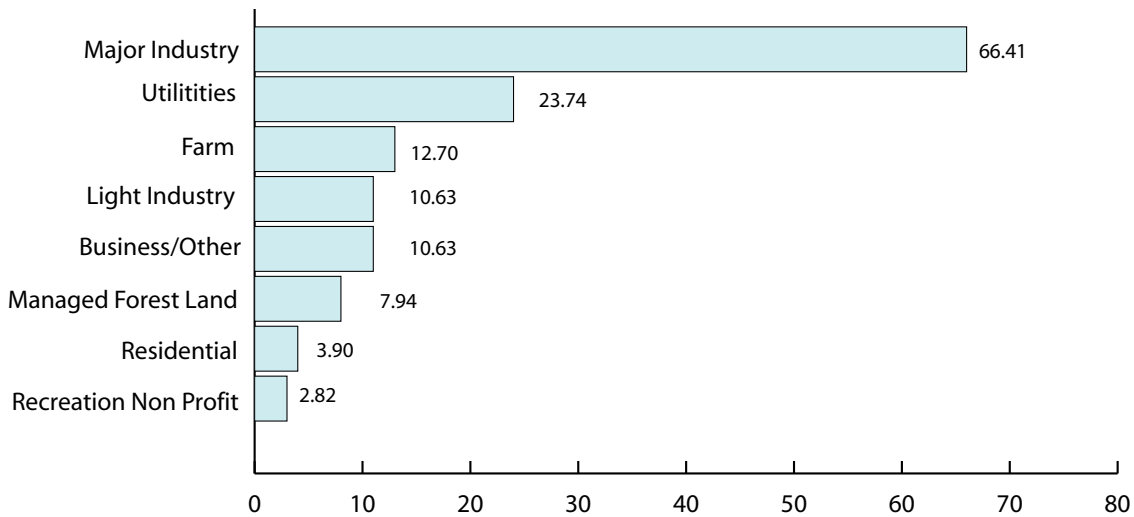
This graph reflects that of the total tax dollars (\$33.7 million) levied in 2020 by the City and other jurisdictions, only 56% (\$19.2 million) was for municipal services such as police, fire, roads, etc. and the remainder was for other jurisdictions.

Taxation Collection Rates



This graph reflects the percentage of property taxes collected in the year that the tax was levied.

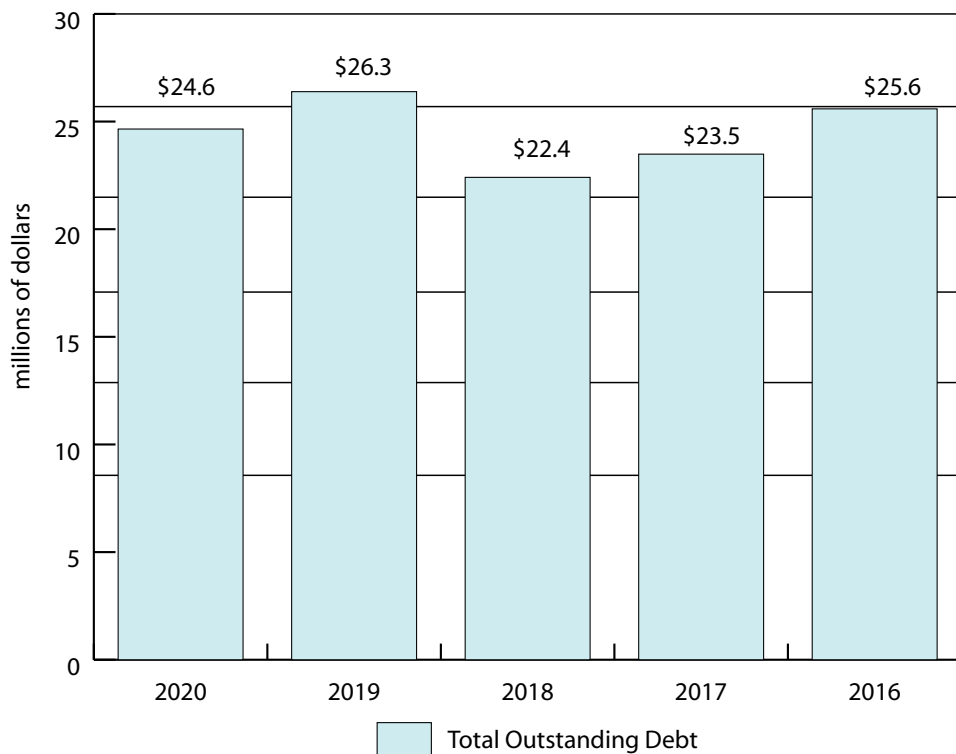
General Municipal Tax Rates



This graph reflects the tax rates that are charged on each \$1,000 of assessed property value for each classification of the property.

Debenture Debt

| Gross Debt | 2020 | 2019 | 2018 | 2017 | 2016 |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General | \$ 16,238,071 | \$ 17,058,401 | \$ 12,123,767 | \$ 12,286,817 | \$ 13,360,343 |
| Water | 6,326,782 | 6,979,375 | 7,681,876 | 8,356,996 | 9,005,802 |
| Sewer | 2,087,581 | 2,350,614 | 2,602,130 | 2,842,643 | 3,223,959 |
| Total Outstanding Debt | \$ 24,652,434 | \$ 26,388,390 | \$ 22,407,773 | \$ 23,486,456 | \$ 25,590,104 |

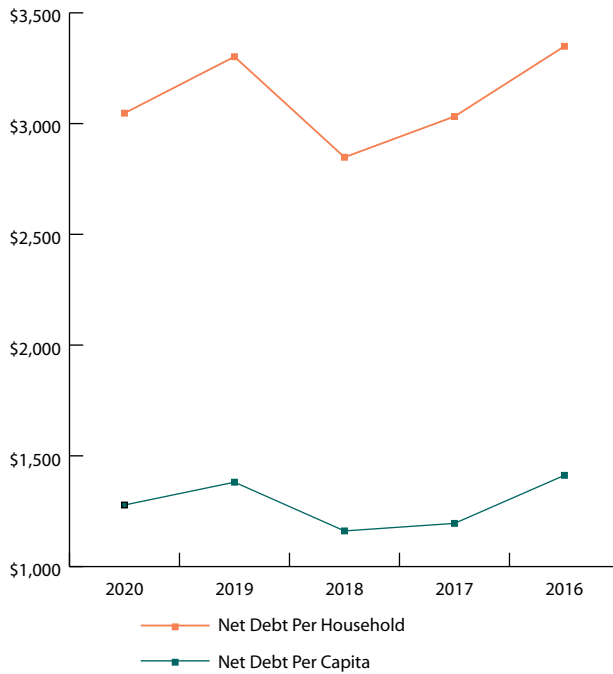


This table and graph reflects the long term debt outstanding at the end of each of the last five (5) years.

Debt Servicing Costs

| Repayment Sources | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Property Tax Supported | \$ 1,454,369 | \$ 1,585,159 | \$ 1,471,006 | \$ 1,577,268 | \$ 1,902,010 |
| Water Utility | 756,957 | 821,157 | 878,855 | 1,002,883 | 1,030,256 |
| Sewer Utility | 264,943 | 264,943 | 263,116 | 408,134 | 279,697 |
| Parks DCC Reserve | - | - | - | 12,810 | 12,810 |
| Total Debt Servicing Costs | \$ 2,476,269 | \$ 2,671,259 | \$ 2,612,977 | \$ 3,001,095 | \$ 3,224,773 |
| Population | 19,296 | 19,115 | 19,299 | 19,661 | 18,128 |
| Net Debt Per Capita | \$ 1,278 | \$ 1,381 | \$ 1,161 | \$ 1,195 | \$ 1,412 |
| Debt Service as a % of Total Expenses | 6.7% | 6.6% | 6.4% | 7.7% | 8.0% |
| Debt Service as a % of Operating Expenses | 5.5% | 7.5% | 7.3% | 8.5% | 10.2% |
| # of Households | 8,090 | 7,992 | 7,868 | 7,746 | 7,640 |
| Net Debt Per Household | \$ 3,047 | \$ 3,302 | \$ 2,848 | \$ 3,032 | \$ 3,349 |

Debt Per Capita



This graph reflects the equated amount of outstanding debt per individual and per household within the City.

Debt Capacity Limits

| Debt Servicing | 2020 | 2019 | 2018 | 2017 | 2016 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Debt Servicing Limit | \$ 9,026,232 | \$ 8,203,394 | \$ 7,862,687 | \$ 7,484,112 | \$ 7,307,745 |
| Debt Servicing Capacity Available | \$ 5,635,095 | \$ 5,423,409 | \$ 5,286,026 | \$ 4,483,017 | \$ 4,082,972 |

This table reflects the maximum debt servicing capacity as well as the remaining borrowing power available to the City to fund capital projects.

Statutory Reserve Funds and Statement of Surplus

| Reserves and Surplus | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Statutory Reserve Funds, Development Cost Charges and Trust Funds | | | | | |
| Development Cost Charge - Sewer | \$ 3,314,914 | \$ 2,967,762 | \$ 2,927,217 | \$ 2,657,873 | \$ 2,195,592 |
| Development Cost Charge - Water | 3,481,274 | 3,162,130 | 2,756,431 | 2,793,733 | 2,315,108 |
| Development Cost Charge - Drainage | 1,940,799 | 1,791,915 | 1,615,386 | 1,501,195 | 1,299,124 |
| Development Cost Charge - Parks | 569,644 | 492,192 | 454,197 | 369,989 | 314,528 |
| Development Cost Charge - Highways | 1,851,290 | 1,664,852 | 1,448,922 | 1,365,614 | 1,110,695 |
| Development Cost Charge - Underpass | 87,380 | 86,630 | 85,056 | 83,680 | 82,846 |
| Perpetual Care | 410,933 | 387,207 | 356,655 | 341,520 | 329,924 |
| Klahani Playground Equipment | 4,332 | 4,295 | 4,217 | 4,149 | 4,108 |
| Equipment Replacement | 2,355,022 | 2,344,411 | 3,060,492 | 2,729,561 | 2,405,243 |
| General Capital | 667,153 | 568,746 | 332,733 | 429,334 | 434,246 |
| Fire Department Building and Equipment | 297,267 | 288,243 | 258,244 | 229,244 | 202,019 |
| Emergency Apparatus | 1,532,834 | 1,201,942 | 857,631 | 1,239,139 | 981,420 |
| Police Vehicle Replacement | 261,525 | 250,685 | 186,698 | 291,449 | 263,604 |
| Landfill Site Repurchase | 228,350 | 226,392 | 222,280 | 218,681 | 216,501 |
| Cemetery Development | 159,713 | 158,344 | 155,468 | 152,951 | 141,450 |
| Sewer Major Maintenance | 3,190,372 | 2,988,432 | 2,626,147 | 2,389,080 | 2,061,611 |
| Water Major Maintenance | 1,311,066 | 1,038,710 | 872,132 | 759,631 | 653,055 |
| Community Centre Major Maintenance | 727,048 | 686,116 | 685,450 | 644,570 | 583,277 |
| Cemetery Columbarium | 73,929 | 73,295 | 71,964 | 70,799 | 65,105 |
| Parks Development | 543,382 | 536,643 | 509,358 | 501,110 | 200,544 |
| | <u>\$ 23,008,227</u> | <u>\$ 20,918,942</u> | <u>\$ 19,486,678</u> | <u>\$ 18,773,302</u> | <u>\$ 15,860,000</u> |

Statement of Operating Surplus

| | | | | | |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Operating Fund - Surplus | \$ 34,609,375 | \$ 23,440,337 | \$ 20,485,557 | \$ 18,455,003 | \$ 17,539,812 |
| Water Operating Fund - Surplus | 2,731,215 | 2,508,966 | 2,099,122 | 1,823,281 | 1,746,745 |
| Sewer Operating Fund - Surplus | 3,355,897 | 3,161,160 | 2,789,530 | 2,461,214 | 2,246,555 |
| | <u>\$ 40,696,487</u> | <u>\$ 29,110,463</u> | <u>\$ 25,374,209</u> | <u>\$ 22,739,498</u> | <u>\$ 21,533,112</u> |

Total Reserves and Operating Surpluses \$ 63,704,714 \$ 50,029,405 \$ 44,860,887 \$ 41,512,800 \$ 37,393,112

Statement of Annual and Accumulated Surplus

| | | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Accumulated Surplus, Beginning of Year | \$ 243,842,078 | \$ 237,142,541 | \$ 226,770,637 | \$ 221,025,217 | \$ 212,898,738 |
| Annual Surplus | 7,178,759 | 6,699,537 | 5,916,182 | 5,745,420 | 8,126,479 |
| Prior Period Adjustment | - | - | 4,455,722 | - | - |
| Accumulated Surplus, End of Year | <u>\$ 251,020,837</u> | <u>\$ 243,842,078</u> | <u>\$ 237,142,541</u> | <u>\$ 226,770,637</u> | <u>\$ 221,025,217</u> |

Statement of Annual and Accumulated Surplus (Detail)

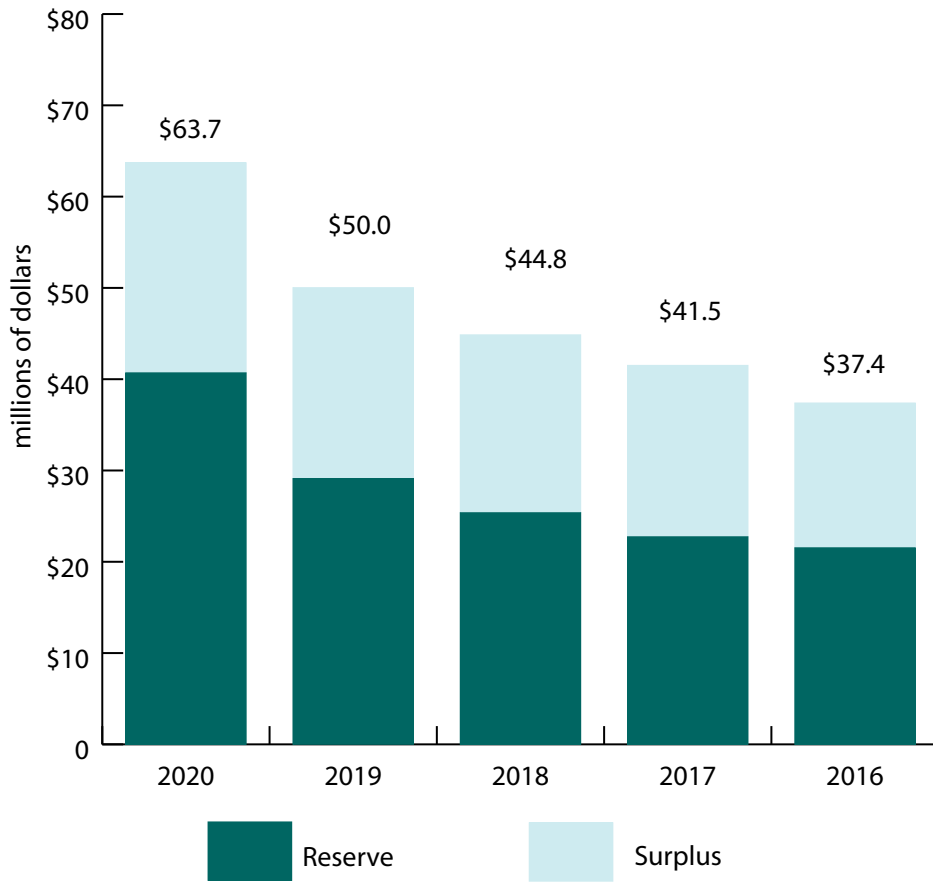
| | | | | | |
|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Statutory Reserves | \$ 11,347,661 | \$ 10,361,959 | \$ 9,838,596 | \$ 9,655,550 | \$ 8,208,075 |
| Unexpended Capital Reserves | 2,915,736 | 7,250,477 | 2,376,488 | 2,349,841 | 3,317,823 |
| Surplus | 3,762,162 | 2,952,461 | 2,637,962 | 2,257,745 | 2,310,824 |
| Reserve Accounts | 36,934,325 | 26,607,615 | 23,298,907 | 20,481,753 | 19,222,290 |
| Equity in Capital Assets | 196,060,953 | 196,669,566 | 198,990,588 | 192,025,748 | 187,966,205 |
| | <u>\$ 251,020,837</u> | <u>\$ 243,842,078</u> | <u>\$ 237,142,541</u> | <u>\$ 226,770,637</u> | <u>\$ 221,025,217</u> |

Net Financial Debt (Detail)

| | | | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Financial Assets | \$ 83,699,354 | \$ 71,830,421 | \$ 62,392,594 | \$ 56,955,032 | \$ 53,035,980 |
| Financial Liabilities | (54,209,320) | (51,744,822) | (47,579,034) | (46,146,068) | (46,082,418) |
| Net Financial Assets | 29,490,034 | 20,085,599 | 14,813,560 | 10,808,964 | 6,953,562 |
| Non-Financial Assets | 221,530,803 | 223,756,479 | 222,328,981 | 215,961,673 | 214,071,655 |
| Accumulated Surplus, End of Year | <u>\$ 251,020,837</u> | <u>\$ 243,842,078</u> | <u>\$ 237,142,541</u> | <u>\$ 226,770,637</u> | <u>\$ 221,025,217</u> |

This table reflects the balance in reserves that have been established by the City for future works, replacement of equipment (i.e. fire, police, public works, etc.), etc. It should be noted that a portion of the City's accumulated operating surplus is committed to undertake specific projects where an annual contribution is required before the works can be completed.

Statutory Reserve Funds and Surpluses



This graph reflects the balance in the reserves and accumulated operating surpluses over the past five (5) years.

Capital Expenses and Funding Sources

| Capital Expenditure Categories | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|
| Capital Expenditures | | | | | |
| Civic Facilities & Services | \$ 9,701 | \$ 846,752 | \$ 711,262 | \$ 642,852 | \$ 28,812 |
| Airport Services | 419,851 | 448,558 | 217,209 | - | 48,288 |
| Cemetery Services | - | - | 23,717 | 18,040 | 1,012,526 |
| Roads | 1,918,276 | 4,161,599 | 2,760,056 | 3,357,826 | 3,776,232 |
| Drainage | 125,505 | 146,485 | 1,035,549 | 223,443 | 596,343 |
| Sidewalks, Curbs and Gutters | 297,974 | 67,381 | 355,642 | 298,560 | 134,658 |
| Machinery and Equipment (Transportation) | 499,638 | 1,559,998 | 260,406 | 269,715 | 151,054 |
| Other (Transportation) | 76,971 | 129,564 | 47,858 | 207,631 | 190,772 |
| Fire Protection Services | 65,088 | 18,509 | 30,967 | 28,636 | 39,458 |
| Protective Services | 3,676 | 131,240 | 87,910 | 20,894 | 163,341 |
| Vehicles (Fire & Police) | 51,328 | - | 840,402 | - | 41,392 |
| Parks and Recreations Services | 810,887 | 492,929 | 439,842 | 626,115 | 2,473,477 |
| Water Utility | 919,665 | 880,825 | 1,615,278 | 1,104,330 | 1,632,949 |
| Sewer Utility | 279,171 | 393,943 | 1,392,869 | 2,324,760 | 1,570,553 |
| | <u>\$ 5,477,731</u> | <u>\$ 9,277,783</u> | <u>\$ 9,818,967</u> | <u>\$ 9,122,802</u> | <u>\$ 11,859,855</u> |
| Sources of Funds | | | | | |
| Tax Levy (Revenue) | \$ 3,556,982 | \$ 2,639,151 | \$ 2,758,716 | \$ 2,895,591 | \$ 2,467,191 |
| Prior Year Surplus | - | 75,000 | 193,208 | 125,783 | 59,252 |
| Grants | 689,260 | 963,611 | 1,146,966 | 1,682,135 | 1,095,772 |
| Reserve Accounts | 1,157,962 | 814,890 | 745,286 | 1,140,774 | 1,848,713 |
| Reserve Funds | 585,328 | 1,439,472 | 2,355,861 | 244,362 | 625,219 |
| Contributions (DCC, Developer, Donation etc.) | 414,083 | 2,324,870 | 1,887,042 | 2,349,942 | 4,636,690 |
| Debt | - | 6,092,000 | 835,000 | - | - |
| Carry Forward - Expended | 1,285,220 | 1,966,524 | 1,725,216 | 2,622,257 | 3,444,231 |
| Carry Forward - Unexpended | (2,211,104) | (7,037,735) | (1,828,328) | (1,938,042) | (2,317,213) |
| | <u>\$ 5,477,731</u> | <u>\$ 9,277,783</u> | <u>\$ 9,818,967</u> | <u>\$ 9,122,802</u> | <u>\$ 11,859,855</u> |

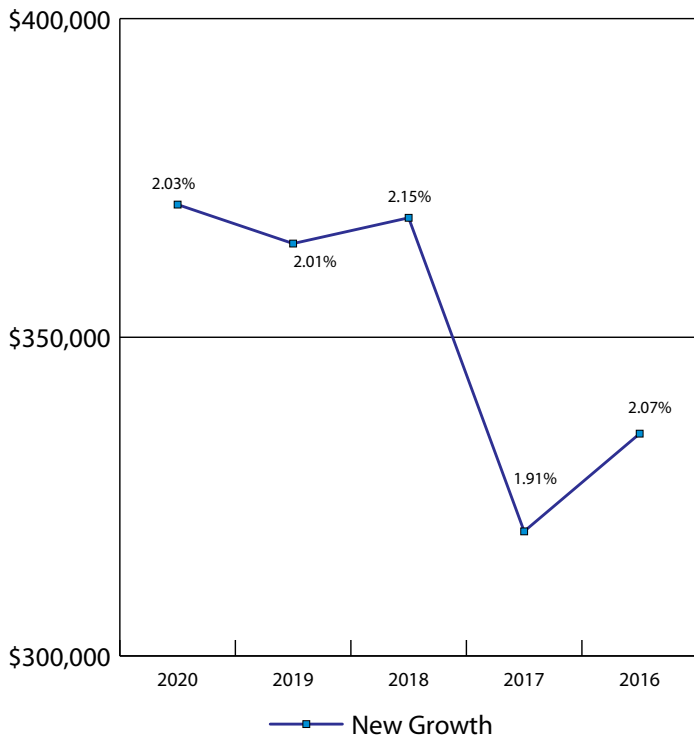
This table reflects the City's annual capital expenses and funding sources over the past five (5) years.

Principal Corporate Taxpayers and Percentage of Total Taxes 2020

| Property Owner | Tax Levy | Percentage |
|--|------------------------|----------------|
| Salmon Arm Shopping Centres Limited & Calloway Reit Inc. | \$ 468,450.92 | 1.389% |
| Piccadilly Place Mall Inc. | 388,021.37 | 1.151% |
| Canoe Forest Products Ltd. | 295,533.61 | 0.876% |
| R P Johnson Construction Ltd. | 221,779.16 | 0.658% |
| Huber Developments Ltd. (and other multiple owners) | 185,963.04 | 0.551% |
| BC Gas Utility Ltd. | 177,611.75 | 0.527% |
| Canoe Forest Products Ltd. | 176,987.42 | 0.525% |
| Kaien Enterprises Ltd. | 153,380.13 | 0.455% |
| Canadian Pacific Railway Co. | 150,833.72 | 0.447% |
| Askew's Uptown Shopping Centre Ltd. | 119,927.57 | 0.356% |
| Salmon Arm Developments Ltd. | 113,007.04 | 0.335% |
| BC Hydro and Power Authority | 110,833.18 | 0.329% |
| Salmon Arm Savings and Credit Union | 110,017.20 | 0.326% |
| 790 16 Street NE Limited | 108,931.52 | 0.323% |
| Lakeside Manor Developments Ltd. (and other owner) | 107,253.96 | 0.318% |
| Salmon Arm Savings and Credit Union | 100,269.24 | 0.297% |
| USNR/Kockums Cancar Company | 94,968.56 | 0.282% |
| Lakeshore Village Ltd. | 89,715.71 | 0.266% |
| 0731010 BC Ltd. | 82,456.66 | 0.244% |
| Westgate Building Ltd. | 81,388.99 | 0.241% |
| Shuswap Development Ltd. | 80,427.09 | 0.238% |
| Rocstan Developments Ltd. | 76,384.58 | 0.226% |
| 389481 BC Ltd. | 73,887.38 | 0.219% |
| Shuswap Park Holdings (2013) Ltd. | 65,761.23 | 0.195% |
| 0803161 BC Ltd. | 63,774.98 | 0.189% |
| BC Hydro and Power Authority | 58,567.24 | 0.174% |
| Vancouver Resource Society for the Physically Disabled | 57,922.49 | 0.172% |
| BC Telephone Co. | 57,866.35 | 0.172% |
| Salmik Holdings Ltd. & Shusal Holdings Ltd. | 57,132.80 | 0.169% |
| 688192 BC Ltd. | 54,861.08 | 0.163% |
| 0731010 BC Ltd. | 53,932.31 | 0.160% |
| Dinoflex Holdings Inc. | 53,594.78 | 0.159% |
| BFM Holdings Ltd. | 52,901.95 | 0.157% |
| Park Place Seniors Living Inc. | 52,695.45 | 0.156% |
| 526761 BC Ltd. | 51,725.84 | 0.153% |
| Over Two Holdings Ltd. | 51,446.87 | 0.153% |
| Edmar Holdings Ltd. | 50,837.34 | 0.151% |
| Canoe Forest Products Ltd. | 50,453.80 | 0.150% |
| | <u>\$ 4,401,504.31</u> | <u>13.052%</u> |

This table reflects principal corporate taxpayers and the amount of property taxes that they pay on individual properties in relation to the total amount of property taxes levied in 2020.

New Construction



This graph reflects the new tax revenue that is generated each year as a result of new growth or construction in Salmon Arm. In 2020, the community derived new tax revenue of 2.03% or \$370,819.

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